

The United States Daily

"WHOEVER can change public opinion can change the Government practically as much. Public opinion, on any subject, always has a central idea from which all its minor thoughts radiate."
—Abraham Lincoln, President of the United States, 1861—1865

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MEMBERS OF THE LEGISLATIVE BRANCH ARE ACCORDED IN THESE COLUMNS THE RIGHT OF DISSENT FROM ANY ACTION OF THE EXECUTIVE ESTABLISHMENT WHETHER CONGRESS IS IN SESSION OR ADJOURNED.

All the Facts—
No Opinion

AUTHORIZED STATEMENTS ONLY ARE PRESENTED HEREIN, BEING PUBLISHED WITHOUT COMMENT BY THE UNITED STATES DAILY.

Products of Farm Regaining Values, Says Mr. Jardine

Purchasing Power of Farmer Stated to Have Advanced To 90 Per Cent of Pre-war Level.

Reference Is Made To Preceding Years

Savings in Labor and Elimination of Waste Have Increased Net Income, Secretary of Agriculture States.

The purchasing power of American farmers has advanced from the low point of 1921 until at present it is about 90 per cent of pre-war level, it was stated December 31 by the Secretary of Agriculture, W. M. Jardine, in a radio address on agricultural developments of the year.

Cattle, sheep, cotton, dairy, and poultry industries have passed the year advantageously, while conditions of potato and wheat growers were trying and returns from hay and tobacco will be less than last year, Mr. Jardine stated. During 1928, Secretary Jardine said, the country harvested 361,000,000 acres of the principal crops, an increase of nearly 4,000,000 acres over 1927, and at a total value of about 1 per cent less than accrued from the same products last year.

Overproduction of Potatoes. Mr. Jardine gave the potato industry as an example of disaster that could be avoided by better planning of production. Although the Department repeatedly warned growers against a large planting of potatoes, Mr. Jardine pointed out, the acreage continued to expand to about 10 per cent beyond normal requirements, so that the largest crop in our history and unsatisfactory prices resulted.

The full text of the address follows: In beginning this brief survey of the year in farming, I feel I should repeat a statement that I have made many times. It is this—Agriculture in the United States is made up of many diverse interests. The farming industry is in reality a large number of industries, and the farm problem is a large number of problems. It is a little difficult on that account to take stock of the year in the brief time I shall talk to you today.

Before we can measure the year's progress or setbacks in the farming industries, we need to refer to the record of the few preceding years. Post War Boom. Farming reached the peak of its prosperity during the post-war boom. This boom was based on war demand and on credit inflation. Agriculture has advanced since 1921 not in regular formation, but like waves on a sea shore. Nevertheless, it has advanced, for the purchasing power of farmers has climbed until it

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National Conference On Fisheries Called

Federal Specialists to Meet With State Officials and Scientists.

Problems affecting the fishery industry will be discussed at the second general biennial conference of investigators of the Bureau of Fisheries with aquatic biologists and others beginning January 2, it was announced, December 31, by the Department of Commerce. The statement in full text follows:

The division of scientific inquiry of the Bureau of Fisheries, Department of Commerce, will hold its second general biennial conference of investigators in Washington on January 2-5, 1929. In addition to the scientific staff of some 50 investigators, including both Washington and the field service throughout the country, a considerable number of well-known aquatic biologists and fishery officials from universities, State commissions and commercial organizations will attend.

The first two days of the conference will be devoted to the presentation of papers upon the more general phases of fishery biology and its applications; during the last two days the conference will divide into three sections for discussions of technical details of the Bureau's various investigations. One of these groups will consider commercial fishery investigations, another freshwater fisheries and agriculture, and the third shell-fish problems.

Gold Production Rises in Alaska And Output of Silver Declines

Value of All Minerals Produced in 1928 Is Smaller Than in Preceding Year; Amount of Coal Mined Sets New High Record.

A higher percentage of gold in the ores taken from the lode mines of southeastern Alaska resulted in an increased production of gold in the territory during the year amounting to nearly \$850,000, the Department of the Interior announced December 31. The total gold output of Alaska, both lode and placer, was \$6,775,000 compared with \$5,927,000 last year, the statement added.

The full text of the Department's statement, based in estimate prepared by the Alaskan branch of the Geological Survey, follows: Mines in Alaska are estimated to have produced minerals to the value of \$14,128,000 in 1928, as against \$14,404,000 in 1927. The total value of the mineral output of Alaska since 1880 is nearly \$600,000,000. The figures for 1928, which are preliminary estimates and consequently subject to revision, are taken from the Geological Survey's report on the mineral resources of Alaska, now in preparation. The source of this mineral wealth is approximately as follows:

Gold: 1928, \$6,775,000; 1927, \$5,927,000.

Copper: 1928, \$6,100,000; 1927, \$7,250,000. Silver: 1928, \$273,000; 1927, \$356,000. Coal: 1928, \$24,000,000; 1927, \$24,800,000. Other minerals (lead, petroleum, marble, tin, platinum, etc.): 1928, \$356,000; 1927, \$323,000. Total: 1928, \$14,128,000; 1927, \$14,404,000. (Production for 1928 estimated.)

The total production of gold from Alaskan mines in 1928 is estimated at \$6,775,000. This marks a noteworthy increase over the production of the preceding year and is attributable to increased output by both lode and placer mines. The greatest increase, however, came from lode mines, so that the ratio of the value of the gold produced by them to that of the gold produced by the placers seems to have been about 52.7 to 47.3. This is a rather significant change, because in 1927 the corresponding ratio was about 50 to 50, in 1926 it was about 44 to 56, and for the entire period that gold mining has been in progress in the Territory it has been 33 to 67.

The increase in the production of gold

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Production of Crops Showed Gain of Three Per Cent During 1928

Bureau of Agricultural Economics Says Progress of Last Year Was Largely Sectional.

Total crop production in the United States for 1928 was approximately 3 per cent more than in 1927, at a total value for the principal crops estimated on December 1 prices of \$8,456,000,000 compared with \$8,522,000,000 last year, according to a statement made public January 1 by the Bureau of Agricultural Economics of the Department of Agriculture. The full text of the Department's statement follows:

Progress has been largely a sectional matter. The cattle and sheep sections of the West have had another encouraging season. The cotton Belt has done fairly well. The dairy industry has done well. But the potato growers and many wheat growers found it very lean year.

Gain in Harvested Acreage. The total acreage harvested of the chief crops was 361,000,000 acres, nearly 4,000,000 acres more than in 1927. Total crop output was about 3 per cent more than in 1927. The total value of the principal crops, based upon December 1 prices, is placed at \$8,456,000,000 compared with \$8,522,000,000 a year ago.

The bureau points out, however, that a considerable portion of the crops will be fed and sold as livestock products, thus somewhat enhancing their final value. The decline in wheat prices is reflected, presumably, in the smaller acreage sown this fall. According to the December estimate, about 9 per cent less wheat acreage was sown this fall than last. But, with average abandonment this winter, this would still leave a little more wheat area to harvest next summer than was harvested in 1928. Low potato prices likewise mean a smaller planting area coming year, judging from the intention expressed by southern growers to plant a 29 per cent smaller acreage this spring than last.

The livestock industries have shown up better than the cash crops the past year. Hog prices were below expectations this fall due to heavy runs to market, slower movement of products, and heavy stocks of lard in storage, but cattle raisers have fared reasonably well, and the same may be said of sheep and dairy producers.

It is estimated that about 20 per cent more feeder cattle than last year moved through the markets into Corn Belt feed lots during the five months, July to November, but the movement fell off sharply

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Tariff Commission Submits Cost Data on Chemicals

The Tariff Commission has transmitted to the Chairman of the House Committee on Ways and Means the first of a series of reports bearing on tariff matters, it was stated orally December 31 at the Commission. The information contained in this report covers an economic study of the production and sale of foreign and domestic chemicals. The report on chemicals is to be followed by similar reports bearing on various schedules under the existing tariff law. The information from the Commission is to be printed by the Commission and made available for use at tariff hearings to be held by the Commission beginning January 7.

Survey Is Completed Of Linoleum Industry

Study Shows That New Uses For Products Are Creating Demand.

Completion of an economic survey on linoleum and allied types of hard-surface or resilient floor coverings has just been announced by the Tariff Commission. The survey shows not only the size of the domestic linoleum industry, but also the extinction of the domestic floor oilcloth industry and its replacement by a much larger industry manufacturing felt-base floor covering.

The full text of the Commission's announcement follows: The textile division has completed a survey on linoleum and allied types of hard-surface or resilient floor coverings. This survey deals with the articles provided for in Paragraph 1020 of the Tariff Act of 1922—linoleum, corticine, cork carpet, and floor oilcloth—and, in addition, felt-base floor covering and rubber tiling, dutiable under the general provision "all other floor coverings not specially provided for" in Paragraph 1022.

The preparator of this survey required the compilation of data relating to production, imports, exports, and tariff duties for the United States and other countries for which they are available. The analysis of these data necessitated investigation into materials used, manufacturing methods, character of articles produced, imported, and exported, and prices. First-hand information was obtained by visits to domestic plants where the processes of manufacture were observed, and by interviews with producers, importers, custom officers, and retailers.

A summary of the information contained in this survey follows: Linoleum is made by applying to a

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Uniform Policy of Employment Is Urged For Direction of Governmental Personnel

Coordination of Methods of Various Departments and Establishments Advocated by Herbert E. Morgan.

The need of comprehensive employment policy for the Federal Government, based upon principles which may be carried out with reasonable uniformity in all departments and establishments, was emphasized in a statement made December 31 by Herbert E. Morgan, editor of the Civil Service Commission. Until such a policy is adopted, he added, the taxpayers will not receive the maximum return for that share of taxes represented by the civilian pay roll.

Mr. Morgan's statement was made in the course of an address over the radio outlining the work of the Commission. At the present time he said more than 430,000 positions are filled through open competitive examinations held by the Civil Service Commission. The full text of the section of the address dealing with advances made in the civil service and its future needs follows: The great advances in the Federal employment system since the passage of the Civil Service Act were the Employees' Compensation Act, the retirement law,

and the Classification Act with its amendment under the so-called Welch Bill. All of these provisions are imperfect, but nevertheless they are distinctly forward steps. There is reason to believe that the present Congress will give early attention to the question of liberalizing the retirement law and also to a consideration of the recent salary legislation with a view to adjustment of what are regarded by many as inequalities.

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Financial Condition Declared to Be Sound

Money Supply Is Ample for Industry, Says Mr. Mellon.

There is ample money for all legitimate business undertakings despite the considerable amount of gold exported during the last year, the Secretary of the Treasury, Andrew W. Mellon, stated December 31 in a statement summarizing financial and business conditions. Government finances, he explained, are in a sound condition and additional reductions in the public debt have reduced it to "manageable proportions."

The full text of Mr. Mellon's statement follows: It has been evident throughout the year that the country has made steady progress. Early in the year the volume of business began to show marked improvement over the closing months of 1927, and this improvement has continued. It has been evident in manufacturing, in steel production, car loading, automobile production, building contracts, and sales of goods to consumers. All of this is evidence also that buying power has been sustained and that, on the whole, satisfactory employment conditions prevail.

Prices in basic industries have not been unduly high and have remained fairly stable, nor do they seem to be any immediate cause of excessive demand sending prices to high levels.

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Credit Restriction Urged as Preventive Of Marginal Buying

Bill to Be Submitted by Senator King Would Limit Extension of Loans by Reserve System.

Senator King (Dem.), Utah, announced orally on December 31 that he plans to introduce a bill during the present session of Congress designed to prevent the use of the credit resources of member banks of the Federal Reserve System for speculation in securities. The bill, he said, will be designed particularly to prevent the extension of credits to brokers for use in marginal transactions.

He has not yet reduced the bill to definite form, the Senator said, but plans to have it in shape for introduction by the time the Senate has concluded its consideration of the Kellogg multilateral treaty for the renunciation of war.

Some of the provisions of the bill, he said, will be a prohibition against the discounting of the paper of member banks where the funds thus derived are to be used for speculative purposes, and a clause prohibiting loans to brokers for speculation on margins.

He declared there will be no provision to prevent loans to individual borrowers to enable the latter to purchase stocks. The Senator said he would not attempt to write into the bill a definition of what constitutes speculation, that should be left to the determination of those having control of credit in individual instances, he said. His idea, as he outlined it, is that the Senate Committee on Banking and Currency should use his bill as a basis upon which to make an investigation of the use of resources of the Federal Reserve System for speculative purposes.

"This stock gambling, which has become a national peril, should be curbed," he said. The Senator explained his idea of prohibiting loans to brokers for marginal transactions as being based on the result

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Farmers in Saskatchewan Organize Purchasing Society

The Consumers Cooperative Wholesale Society has been organized under the auspices of the Saskatchewan section of the United Farmers of Canada, to act as wholesalers handling dry goods, groceries, hardware, coal, lumber, and other farm supplies, according to information received December 31 by the Department of Commerce. The statement in full text follows:

The United Farmers of Canada, who will handle the retailing, plan to go into the wholesale field much more actively and on a broader scale with the new organization.

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Duty on Belgian Sand Removed by Ruling

Treasury Reverses Decision Classing Imports as Silica.

Belgian sand and other similar glass sands may be imported into the United States free of duty, according to a ruling by the Commissioner of Customs of the Treasury Department, E. W. Camp. The Treasury ruling is made in a letter from Mr. Camp to the Collector of Customs of the port of New York, which follow in full text:

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Business Outlook Said to Be Bright For Coming Year

Dr. Klein Predicts Record Levels of Recent Months Will Be Continued During 1929.

Volume of Exports Reached High Total

Automotive and Construction Industries Described as Basis Of Prosperity in Last 12 Months.

A record volume of American production and trade, with continued steady growth of foreign commerce due to growing demand for domestic manufactures, was reported by the Director of the Bureau of Foreign and Domestic Commerce, Dr. Julius Klein, in a statement summarizing the domestic and foreign trade outlook at the close of 1928, which was issued for publication on January 1, by the Department of Commerce. Maintenance of American imports at approximately the same level as in 1928 indicates, he said, the large purchasing power and general prosperity of the country. The statement in full text follows:

The year 1928 closed with domestic business larger than ever before and foreign trade in exceptional volume, and there is every indication that the high levels of recent months will be carried into the New Year. The output of farm crops during 1928 was about 3 per cent larger than in the preceding year, and industrial production showed an even greater increase. Exports of merchandise were larger than in any year since 1920, exceeding \$5,000,000,000.

The automobile and construction industries continued throughout 1928 to be the back-log of America's prosperity. Automobile production was larger than in any earlier year and contracts for future construction showed a substantial growth. The activity of these industries has rested in a greatly increased demand for many related products such as steel, cement, rubber tires, and refined petroleum.

The heavy outflow of gold in the first half of 1928 resulted in a considerable change in the money situation. Partly as a result of this reduction in our gold stock, but more largely as a consequence of the extraordinary activity of the stock exchanges, rates for call money and for stock exchange time loans advanced sharply. Bank credit for commercial purposes, however, has continued in ample supply at rates only slightly higher than a year ago; while open market rates for commercial paper have shown a somewhat greater advance.

Wholesale distribution showed little change in volume, but sales of many different types of retail establishments increased in 1928. Sales of mail order houses and various kinds of chain stores had particularly large growth but this was partly due to an increase in the number of stores operated. Department store sales also increased and there was a considerable reduction in the size of their inventories.

Further progress has been made in the elimination of waste and in the increase of business efficiency. During recent years there have been marked increases in the per capita output of the manufacturing industries and of agriculture and efforts are now being made to improve the efficiency of distribution, which is still relatively wasteful.

There has been no considerable accumulation of stocks of commodities, and the general level of wholesale prices has shown comparatively little change. Increases in prices of hides and leather,

[Continued on Page 9, Column 1.]

Nations to Discuss Short Waves Division

Delegates of Four Countries Will Meet in Ottawa.

Canada, Mexico, Cuba and the United States will resume consideration of the matter of distribution of continental short waves among these countries at a conference to be held at Ottawa probably beginning on January 21, it was stated orally December 31 at the Federal Radio Commission.

Word has been received from Canada by the Department of State setting January 9 as the date for the sessions but the Department has requested, through the Canadian legation, that they be postponed until later in the month. The conference is for the purpose of consummating a "gentleman's agreement" as to the wave lengths that will be allocated for commercial use by these countries, in order that interference in communication may be avoided.

The American delegation, it was said, probably will consist of three Radio Commissioners, O. H. Caldwell, Sam Pickard and Harold A. Lafont, and William E. Vallance, Assistant Solicitor, Department of State, an Lieutenant, Commodore T. A. M. Craven, U. S. Navy, technical advisor to the Commission.

Conference Agreed Upon. It was explained at the Commission that the tentative agreement reached with the other North American nations as to the division of the short wave spectrum, at a conference in Washington in August was to have been con-

[Continued on Page 3, Column 3.]

Compromise Rates On Lake Cargo Coal Are Made Effective

Interstate Commerce Commission Votes Not to Suspend Tariffs Filed Last August.

The so-called compromise tariffs on lake-cargo coal set into effect at midnight December 31, the Interstate Commerce Commission having voted on that date not to suspend the tariffs filed last August under which rates are increased 20 cents per ton from the northern fields in Pennsylvania, Ohio and 10 cents per ton in Virginia, West Virginia, Kentucky and Tennessee.

The application of the new rates establishes a differential of 35 cents per ton in favor of the northern coal operators in lieu of the present 45-cent differential effective prior to January 1. The new rates were permitted to go into effect by the Commission over the protest of the northern operators.

In 1927 the Commission prescribed rates which gave the northern district a differential of 45 cents, after which the railroads serving southern fields sought to reestablish the former differential of 25 cents by reducing their rates 20 cents. After investigation, the Commission ordered cancellation of this proposed reduction, whereupon the southern coal operators obtained an injunction restraining enforcement of the Commission's order of cancellation. An appeal taken by the Commission is now pending in the Supreme Court of the United States.

The 20-cent reduction made by the Southern carriers was met by the northern roads, thus establishing the 45-cent differential, where water must be impounded for irrigation as well as power purposes, or of States like North Carolina and countries like Italy, which abound in mountain streams but are lacking in coal or other fuels.

Plan Said to Be Unnecessary. "Kentucky's coal or other Mammoth Cave. It has but one water-fall. No man or set of men would dare attempt a power project on Green River which would flood and destroy Mammoth Cave. No man or set of men should be allowed to destroy Cumberland Falls, Kentucky's other unique natural wonder. The crime of destroying Cumberland Falls is exceeded only by the business folly of doing a thing so unnecessary and so unwise."

The full text of the conclusions of the brief follows: "It is passing strange that, in this day, the people and the press of Kentucky should have to fight for the priv-

[Continued on Page 7, Column 4.]

Expanded Service To Cuba Defended

Addition of Liner Necessary, Shipping Board Says.

The Shipping Board placed the liner "President Roosevelt" in the New York-Havana trade "to protect, so far as practicable its business from the injury which the temporary presence" on this route of the American standard liner "Caronia" threatened, the Chairman of the Board, T. V. O'Connor, informed Sir Ashley Spark, general agent of the Cunard Company in a letter on December 31.

The letter was in reply to one received by the chairman from Sir Ashley alleging that the Board was violating the terms of the Shipping Act of 1910 by placing a "fighting ship" in this trade.

At the same time it was stated orally by E. C. Plummer, vice chairman of the Board, that the Board has not been officially apprised of the proposed entrance in the New York to Havana trade of the Red Star, French and Japanese liners in competition with the American Ward Line but it will protect the American standard line in this route from unfair competition.

Expressing his individual view, Mr. Plummer said that the Board probably would not object to the entrance of the foreign lines into the Havana trade "if they remain in it permanently," rather than merely to "skim the cream of the winter tourist trade." He pointed out that the Cunard liner "Caronia" already has entered the trade and that the Board has assigned the United States liner "President Roosevelt" to the Ward Line to meet the competition.

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Power Project On Cumberland River Opposed

Preservation of Beauty of Falls in Kentucky Urged In Brief Presented to Commission.

Proposal to Create State Park Favored

Group of National and Sectional Organizations Criticizes Plan for Commercial Development.

Cumberland Falls in southeastern Kentucky is "the finest waterfall, except Niagara, east of the Rocky Mountains," and should not be destroyed "to serve the interest of a power company," according to statements in a brief filed with the Federal Power Commission December 31 by a number of nation-wide, State and municipal organizations, including the American Civic Association, Isaak Walton League of America, and the Camp Fire Club of America.

The brief in opposition to the proposed power development at Cumberland Falls was submitted on behalf of numerous protestants by the text counsel, Trause, Doolan, Helms & Helm and John C. Doolan, of Louisville, Ky.

Hearing Has Been Held. An application for a license to develop the project by the Cumberland Hydro-Electric Company has been pending before the Commission for about two years and was the subject of a recent hearing by that body at the Department of the Interior in Washington.

The brief refers to an offer made by former Senator Coleman DuPont, of Delaware, a native of Kentucky, to purchase the Cumberland Falls site as a public park, and state that his "only interest in the matter is a desire to give his native State, as a lasting heritage, the finest waterfall, except Niagara, east of the Rocky Mountains, and the only one of any note in the Appalachian region, so as to preserve the majestic and beautiful public park, and to save the crime above and below the Falls to the end of time as Nature made them."

"It is inconceivable," says the brief, "that any propaganda or selfish interest could control the judgment or influence the attitude of officials and quasi-official bodies, newspapers and magazines, and the various clubs, organizations and groups of individuals listed as protestants in the prefix to this brief."

Recommendations Criticized. The brief challenges the recommendations of the report of the Executive Secretary of the Commission, O. C. Merrill, on the application for a license, which, it is stated, "can not be sustained by the test of the facts set forth in his own report."

"We also challenge," says the brief, "the correctness of various opinions expressed in the report as to the power of this Commission and its jurisdiction in the premises."

The brief also declares that the "exploitation of Cumberland Falls by the Insull power interests" would result in the destruction of the Falls by diverting from 97 to 99 1-3 per cent of the normal flow of water.

"Kentucky's situation," the brief states, "wholly unlike that of States in the arid region, where water must be impounded for irrigation as well as power purposes, or of States like North Carolina and countries like Italy, which abound in mountain streams but are lacking in coal or other fuels, is unique."

Plan Said to Be Unnecessary. "Kentucky has but one Mammoth Cave. It has but one water-fall. No man or set of men would dare attempt a power project on Green River which would flood and destroy Mammoth Cave. No man or set of men should be allowed to destroy Cumberland Falls, Kentucky's other unique natural wonder. The crime of destroying Cumberland Falls is exceeded only by the business folly of doing a thing so unnecessary and so unwise."

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Navy Invites Tenders On Royalty Crude Oil

Bids Asked on Products of Reserves No. 1 and No. 2.

Royalty crude oil produced from leases in the Naval Petroleum Reserves No. 1 at Elk Hills, and No. 2 at Buena Vista, California, until February 14, 1931, is offered for sale by the Department of the Navy under sealed bids to be opened on January 12. The invitation for bids was made public December 31. The Government does not guarantee the quantity of oil included in the contracts, according to the announcement of the sale. For October, 1928, the royalty crude oil from Reserve No. 1 amounted to about 112,000 barrels, and from Reserve No. 2 to 62,811 barrels, it is stated in the invitation.

Bids will be opened at the office of the inspector of Naval Petroleum Reserves in California, at Los Angeles. The lessees of Reserve No. 1, the in-

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Complete News Summary and Index

... of every article in this issue will be found on the Back Page.

The News Summary is classified by topics every day for the convenience of the reader.

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New Forest District Formed Out of Lands In Mid-West States

Area Embraces 1,200,000 Acres in Minnesota, Wisconsin and Michigan; Director Named to Take Charge.

Creation of the new National Forest District, No. 9, which embraces the States of Minnesota, Wisconsin, and Michigan, and which already contains ten National Forest units with nearly 1,200,000 acres of Government land, has been approved by Secretary of Agriculture, W. M. Jardine, has just been announced by the Department of Agriculture.

A program contemplating eventual acquisition of 2,500,000 acres of additional land at an expenditure of more than \$6,000,000 of Federal funds, according to the announcement, was approved by the National Forest Reservation Commission in recognition of need in the Lakes District for reclamation of large areas adapted to timber production but at present denuded and unproductive. The full text of the announcement follows:

The new Lake States District, to be known as National Forest District No. 9, already contains ten national forest units with a total of nearly 1,200,000 acres of Government land. In recognition of the acute need which exists in this region for the reclamation of large areas of land adapted to timber production but at present denuded and unproductive, the National Forest Reservation Commission has approved a program contemplating eventual acquisition of an additional two and one-half million acres of land in the three States. The purchase program will involve the expenditure of more than \$6,000,000 of Federal funds.

The Lake States were formerly included in National Forest District No. 2, with headquarters at Denver, Colorado. The proposed extension of publicly owned forest lands, and the possibilities for development of forest resources represented by the vast acreage of privately owned forest lands in the region, have made more direct supervision desirable.

Tinker Placed in Charge. Secretary Jardine announced the appointment of Earl W. Tinker as District Forester in charge of the new Lake States District. He will take up his duties January 2, establishing his District headquarters at Madison, Wis. As assistant District Forester of District 2, Tinker has supervised the land exchange and acquisition work of the Forest Service in the Lake States for the past several years. He is a graduate of the Michigan State College of Forestry. Following a year of graduate work at the Yale Forest School, he was employed in forestry work by the Canadian Pacific Railway. In the United States Forest Service, he has served as Supervisor of two National Forests, as Assistant Chief of the Office of Forest Management, and recently as Assistant District Forester in charge of the Office of Lands in District 2.

Influenza Epidemic Grows in Prevalence

Michigan and Maryland Record Increases in Cases; Death Rate Higher.

Approximately 86,000 new cases of influenza in the States of Iowa, Maryland, and Michigan are recorded in the week ended December 22 in reports from State health officers to the Public Health Service.

Iowa reported 27,000 new cases as an estimate; Michigan, 10,690 cases, and Maryland 1,048 cases. Last week Iowa estimated a total of 85,000 cases; Maryland reported 627 cases, and Michigan reported 5,777 cases.

Deaths from influenza and pneumonia in 93 cities for the week ended December 8 totaled 1,209, the Public Health Service announced December 31 in its weekly review on the prevalence of communicable diseases. The same cities reported 709 cases for the same week last year.

The full text of the weekly review follows: The 99 cities reporting cases used in the following table are situated in all parts of the country and have an estimated aggregate population of more than 31,440,000. The estimated population of the 93 cities reporting deaths is more than 30,750,000. Weeks ended December 8, 1928, and December 10, 1927; Weeks ended December 8, 1928, and December 10, 1927:

Table with columns for Cases Reported, 1928, and 1927. Rows include Diphtheria, Measles, Poliomyelitis, Scarlet fever, Smallpox, and Influenza and pneumonia.

Argentina to Foster Market for Fruits

Commissioner Sent to United States to Stimulate Trade.

Argentina is sending Mrs. Zimmelman de Tafeloff as special fruit commissioner to the United States, according to an announcement by the Pan American Union December 31.

Argentine grapes were formerly found to be infected with Mediterranean fruit fly, according to previous statements by the Department of Agriculture. However, a representative of the Department who made a survey of Argentina was unable to find the fly in the three chief fruit-growing provinces, and since that

Hearings to Be Held on Bill to Authorize Lease of Naval Base at Squantum, Mass.

House Committee to Consider Matter January 14; Correspondence Exchanged on Insurance Policy.

Lease of the United States naval destroyer and submarine base at Squantum, Mass., covering approximately 592 acres of improved land in the city of Quincy, Mass., known as the "Squantum parcel," is provided in a bill (H. R. 11922) which the House Committee on Naval Affairs will hold a hearing January 14. The bill would provide the lease of the property under such terms and conditions as may be deemed advantageous to the Government, a lease revocable at the discretion of the Secretary of the Navy in case of national emergency.

The hearing grows out of correspondence between the Navy and War Departments and the Comptroller General of the United States, J. R. McCarl, regarding what the Comptroller says are defects in the lease already existing between the Secretary of the Navy and the Victory Terminal Corporation, Boston, Mass. Included in the correspondence is a letter from Comptroller McCarl to the Secretary of the Navy, dated June 23, last, asking why the matter of securing a proper insurance policy from the Victory Terminal Corporation in accordance with the terms of the contract was permitted to remain unsettled approximately a year since the date of the lease.

Insurance Against Fire For \$500,000 Required

"The lease provides," the Comptroller says in this letter, "that the Victory Terminal Corporation shall keep the leased premises insured against fire in a good and responsible fire insurance company or companies, approved by the Government, for a total of \$500,000, and that the policies shall be so written as to show the ownership and interest of the United States with a loss-payable clause attached, thereby making all loss, if any, payable to the Government."

"The insurance policy filed by the Victory Terminal Corporation," the Comptroller says, "is with the Globe Indemnity Company, and the reduced-rate clause provides that in the event of loss the insurance company shall be liable for no greater proportion thereof than the amount thereby insured bears to 99 per cent of the actual value of the property. In other words, the insurance policy is, as stated in the letter of June 2, 1928, from the Judge Advocate General of the Navy, a consignment policy, and is, in fact, a consignment policy."

"The matter should be promptly adjusted by the Navy Department," the policy by the Victory Terminal Corporation in the sum of \$500,000 payable to the United States and with the consignment clause omitted. This office should be advised when such adjustment has been made."

Says Matter Is One, Of Contract Rights

In another letter, dated August 8, 1928, to the Secretary of the Navy, the Comptroller stated that "the lease having been executed, the question of securing the necessary insurance with the terms thereof is not one involving jurisdiction over naval property within the meaning of the Act of March 29, 1894, but is a question of enforcement of the contract rights of the United States and the proper filing of all the parts of the contract which the insurance policy is one in this office as required by law."

"The following is the full text of the final letter in the correspondence, that from the Comptroller General of the Treasury, J. R. McCarl, to Fred A. Britten, chairman, Committee on Naval Affairs, House of Representatives, December 16, 1928:

"This office has before it a lease dated August 2, 1927, between the Secretary of the Navy and the Victory Terminal Corporation, Boston, Mass., for the use and occupancy of approximately 592 acres of land known as the 'Squantum parcel' of the United States destroyer and submarine base, Squantum, Mass., and the Secretary of the Navy has invited my attention to H. R. 11922 and to hearings on May 16, 1928, where your Committee was informed with respect to the existence of the lease in question.

"I enclose herewith for the information of the Committee, copies of my letters of June 23, August 8, and October 4, 1928, to the Secretary of the Navy, and photostatic copies of his reply dated November 30, 1928, thereto. The insurance policy referred to in my letter of June 23, 1928, was subsequently obtained and forwarded to this office for filing with the lease.

"The argument in the letter of November 30, 1928, that the rental may be used without further legislative authority is precluded by the express terms of section 3617, Revised Statutes, and the act of August 29, 1916 (39 Stat. 559), which were quoted in the letter of November 30, 1928. See the quotation in my letter of August 8, 1928, from the Pan American Co. case, (273 U. S. 466, p. 502.)

Information Given To Naval Committee

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Argentina to Foster Market for Fruits

Commissioner Sent to United States to Stimulate Trade.

Argentina is sending Mrs. Zimmelman de Tafeloff as special fruit commissioner to the United States, according to an announcement by the Pan American Union December 31.

Argentine grapes were formerly found to be infected with Mediterranean fruit fly, according to previous statements by the Department of Agriculture. However, a representative of the Department who made a survey of Argentina was unable to find the fly in the three chief fruit-growing provinces, and since that

Coordinated Policy Of Employment Urged For Federal Agencies

Uniformity Said to Be Needed Among Departments in Handling Labor Problems.

The position of the Chamber of Commerce of the United States in opposition to the Shipstead bill (H. R. 1482) to limit the jurisdiction of the Federal Courts in connection with injunctions in labor disputes has been submitted to Senator (Rep.) of Nebraska, Chairman of the Senate Committee on Judiciary in the form of a letter from William Butterworth, President of the Chamber. The full text of the letter follows:

"The measure which is before you is contrary to the propositions for which our organization stands, in that the bill has as its essential purpose a special exemption for employees and their associations from the operation of the laws of the United States, particularly the laws against restraints of interstate commerce. Both the exemption and the method through which it would be granted are contrary to the declarations as to principle made by our membership. The exemption which is now proposed is in effect an addition to the exemption which has since 1913 been granted by Congress, through a limitation on appropriation for enforcement of antitrust legislation.

"The limitation is to the effect that no part of the appropriation may be used for proceedings against any organization for an agreement, provided the purpose of the agreement is to increase wages, shorten hours, or better conditions of labor. This limitation was first brought forward soon after the United States Chamber was formed. The Chamber's membership immediately and overwhelmingly took a position against the principle of such a limitation intended to operate in favor of any class. Although the limitation has reappeared each year, the Chamber has continued earnestly in opposition to the principle which it embodies, not so much as contrary to the interest of business enterprise as much as in the judgment of business men, of sound public policy as to equality before the law of all citizens and all their associations.

"On the other hand, the organizations in the Chamber's membership have united in urging a reconsideration of the bill. From the point of view of the Chamber, therefore, it may be submitted that if the legislative department of the Government is of the opinion that any feature of the substantive legislation as to interstate commerce has effects other than those which were intended, or effects which, while originally intended, are now considered to be contrary to the public interest, it would seem appropriate to consider amendments to the substantive legislation. Such a course would offer opportunity for clear presentation of the issues.

"The form of bill which is before you does not appear to present the issues clearly. Indeed, this bill would seem to have results which are not generally understood. For example, it would seem to affect the Railway Labor Act of 1926—a piece of legislation which we have understood was advocated by very important associations of employees that are directly concerned, and who do not seem to have been heard by you.

"By way of illustrating apparent effect of the bill in other matters, I might observe that the bill apparently would permit an association of machinists in a city where machinists generally belong to a union to prevent a manufacturer of printing presses situated in another city from employing his undoubted right to operate a closed union shop from selling his printing presses in their city, although the decision of the United States Supreme Court in 1921 was that such a manufacturer was entitled to have opportunity to place his presses in such a city. By the union shop word 'picketing,' the bill would sanction picketing contrary to the decision of the Supreme Court in 1921 that the word 'picketing' indicated a militant purpose, inconsistent with peaceful persuasion.

"In the event it should be argued by supporters of the bill that the Department of Justice could still proceed, upon behalf of the government, to prevent the machinists in a city of one State from closing the markets of the city to a manufacturer situated in a distant State, the bill before you presumably being drafted only to prevent individuals from having the benefit of the protection of injunctive process upon their own petition, it is pointed out that the limitation which has already been mentioned and which for 15 years has been placed by Congress each year on the appropriation for use of the Department of Justice would seem to hinder materially any effective action on the part of the Department of Justice.

"For another reason, which seems fundamental in nature, the Chamber by expression of its membership is opposed to the method used in the bill. The purposes of the bill, it is proposed, are to be attained by depriving federal courts of a portion of their judicial power. Indeed, the bill would undertake to deprive federal courts of several portions of the judicial power, including:

"Power to issue an injunction to prevent continued violation of the federal antitrust statutes by an organization of wage earners, even though the violation of the law causes irreparable damage;

"Power to grant any relief, at law or in equity, with respect to contracts which may be lawful according to the laws of the State applicable to them and which are properly before the federal courts."

"The organizations in our membership have committed the Chamber to the proposition that there should be no attempt to decrease the power or diminish the jurisdiction of the federal courts. It is submitted, likewise, that there should be no attempt by Congress to deal through indirectness with contracts which substantively are wholly within the purview of the States.

Revision of Postal Regulations Urged

Changes in Privileges of Pan American Nations Favored.

Extension of free mailing privileges to correspondence of the Diplomatic Corps and consuls of Pan American countries and transportation of livestock and other animals free of customs duties were recommended in the annual report of the Postmaster General, Harry S. New. The full text of the section of the report dealing with the proposed legislation follows:

"A resolution was passed by the Pan American Postal Congress to the effect that since advertising matter tends to increase the knowledge of the peoples it should be transported in the postal service in all countries free of customs duties or requirements which tend to limit its purpose. The delegates of this country to the Congress undertook the presentation of this matter for appropriate consideration. Accordingly the Postmaster General addressed a communication to the Speaker of the House (Document No. 97) calling attention to the terms of the resolution and recommending that the revision of existing advertising matter be authorized from such countries as reciprocally provide for freedom of duty on advertising matter from the United States.

"It is again recommended that appropriate action by Congress be taken. The Pan American Principal Convention of the Americas contains a provision for acceptance for mailing free of postage of the correspondence of members of the Diplomatic Corps of the signatory countries and the consuls thereof, such arrangement to be reciprocal and apply to the official correspondence which they direct to their respective countries, for that which they exchange among themselves and for that which they direct to the government of the country in which they are accredited.

"Most of the Pan American countries have put this provision into effect, and it is now in operation in this country with respect to correspondence which the members of the Diplomatic Corps and consuls address to their own countries or other countries of the Union, this being permissible under the statutes authorizing the Postmaster General to enter into agreements for conventions with foreign countries with respect to the exchange of correspondence and other matter through the international mails. However, under existing law the free use of domestic mails of this country is permissible only when specifically prescribed by statute. There is no provision of law under which the official mail

Shipstead Bill to Limit Injunctive Power Of Courts Opposed by Chamber of Commerce

Position Is Outlined in Letter to Chairman of Senate Committee on Judiciary.

The position of the Chamber of Commerce of the United States in opposition to the Shipstead bill (H. R. 1482) to limit the jurisdiction of the Federal Courts in connection with injunctions in labor disputes has been submitted to Senator (Rep.) of Nebraska, Chairman of the Senate Committee on Judiciary in the form of a letter from William Butterworth, President of the Chamber. The full text of the letter follows:

"The measure which is before you is contrary to the propositions for which our organization stands, in that the bill has as its essential purpose a special exemption for employees and their associations from the operation of the laws of the United States, particularly the laws against restraints of interstate commerce. Both the exemption and the method through which it would be granted are contrary to the declarations as to principle made by our membership. The exemption which is now proposed is in effect an addition to the exemption which has since 1913 been granted by Congress, through a limitation on appropriation for enforcement of antitrust legislation.

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"On the other hand, the organizations in the Chamber's membership have united in urging a reconsideration of the bill. From the point of view of the Chamber, therefore, it may be submitted that if the legislative department of the Government is of the opinion that any feature of the substantive legislation as to interstate commerce has effects other than those which were intended, or effects which, while originally intended, are now considered to be contrary to the public interest, it would seem appropriate to consider amendments to the substantive legislation. Such a course would offer opportunity for clear presentation of the issues.

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"Power to issue an injunction to prevent continued violation of the federal antitrust statutes by an organization of wage earners, even though the violation of the law causes irreparable damage;

"Power to grant any relief, at law or in equity, with respect to contracts which may be lawful according to the laws of the State applicable to them and which are properly before the federal courts."

"The organizations in our membership have committed the Chamber to the proposition that there should be no attempt to decrease the power or diminish the jurisdiction of the federal courts. It is submitted, likewise, that there should be no attempt by Congress to deal through indirectness with contracts which substantively are wholly within the purview of the States.

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"It is again recommended that appropriate action by Congress be taken. The Pan American Principal Convention of the Americas contains a provision for acceptance for mailing free of postage of the correspondence of members of the Diplomatic Corps of the signatory countries and the consuls thereof, such arrangement to be reciprocal and apply to the official correspondence which they direct to their respective countries, for that which they exchange among themselves and for that which they direct to the government of the country in which they are accredited.

"Most of the Pan American countries have put this provision into effect, and it is now in operation in this country with respect to correspondence which the members of the Diplomatic Corps and consuls address to their own countries or other countries of the Union, this being permissible under the statutes authorizing the Postmaster General to enter into agreements for conventions with foreign countries with respect to the exchange of correspondence and other matter through the international mails. However, under existing law the free use of domestic mails of this country is permissible only when specifically prescribed by statute. There is no provision of law under which the official mail

Linoleum Industry Is Said to Be Growing

Survey Shows New Uses for Products Are Creating Larger Demand.

The manufacture of linoleum and of cork carpet requires the use of massive machinery and large buildings, and the capital investment is large in relation to the value of products. The domestic market for linoleum is relatively small, but the United States has almost entirely superseded floor oilcloth made on a jute burlap foundation.

The production of the felt-base floor covering appears to be confined to the United States; no imports are recorded; exports are considerable, greater in both quantity and value than exports of linoleum. The domestic demand for felt-base floor covering, which is relatively cheap as compared with linoleum, appears to be increasing steadily.

Compared with another type of resilient floor covering of minor importance as compared with linoleum or felt-base floor covering. Firms making automobile tires and other rubber products make rubber tile as a side line. Production in 1925 amounted to 11,959,542 square feet, valued at \$6,123,362. Expansion in demand since 1921 has been hampered by high price as compared with other types of resilient floor covering. Imports and exports are not separately recorded and are apparently negligible.

Reports of the Bureau of the Census for 1904 to 1925 show not only the size of the domestic linoleum industry but also the extinction of the domestic floor oilcloth industry and its replacement by a much larger industry in the manufacture of felt-base floor covering.

Imports of felt-base floor covering and rubber tile are not recorded, but are assumed to be negligible. The following table affords a comparison of the average annual imports of linoleum and of floor oilcloth under the acts of 1909, 1913, and 1922:

Table with columns for Year, Sq. Yds., Value, and Duty. Rows for Linoleum and Floor Oilcloth for years 1909, 1913, and 1922.

*Average annual imports for period from September 22, 1922, to December 31, 1927, for which data are available.

Imports of both linoleum and floor oilcloth originate principally in the United Kingdom; smaller amounts come from Germany and Holland.

Domestic exports in 1922 and subsequent years have been recorded as follows:

Table with columns for Year, Sq. Yds., Value, and Duty. Rows for Linoleum and Rubber tile for years 1922, 1923, 1924, 1925, 1926, and 1927.

*Exports so listed were almost entirely felt-base floor coverings.

Domestic exports are widely distributed. These of felt-base coverings usually find their best markets in the United Kingdom, Australia, Brazil, British South Africa, and France; those of linoleum, relatively less important, in Australia, the United Kingdom, France, and Mexico.

Members of the Diplomatic Corps and consular representatives of foreign countries stationed in this country may be transmitted in our domestic mails free of postage.

Since, as stated, most of the other countries signatory to the Pan American convention have put into effect the provision referred to, this department should be authorized to put the provision into effect in this country.

The enactment of the bill S. 2800, which passed the Senate, or the bill H. R. 12416, which is pending in the House, both of which embody the recommendation of the Postmaster General, would meet the necessity.

Last Week in May Set Aside for America at Seville Exposition

United States' Exhibits to Include Every Phase Of Government Activity.

The Spanish Government, it was announced December 31 by the Commission of the United States for the International Exposition at Seville, has formally acknowledged American participation in the exposition by setting aside the last week in May, 1929, to the United States. The full text of the Commission's statement follows:

This week will be featured by the presence of the U. S. Army Band which has specialized in Latin American music and which will include in its concert acts of every participating nation.

To information, just received from Spain, was added a complete list of dates set apart for the observance of special ceremonies in connection with the participation of each of the countries taking part. These include Argentina, May 1-7; Mexico, May 8-15; United States, May 25-31; Colombia, June 2-9; Portugal, June 10-17; Uruguay, June 17-24; Dominican Republic, June 24-30; Cuba, July 1-7; Bolivia, August 1-7; Brazil, September 2-8; San Salvador, September 9-15; Ecuador, October 3-9; Peru, October 10-16; Chile, October 17-24; Venezuela, October 24-31; and Panama, November 3-10.

Will Open March 15. The Seville Exposition, which will officially open on March 15 next, is planned as a monument to Spain's new position as a world power in commerce and foreign trade. The significance of participation by the republics of North and South America is that these nations represent the original colonies of the Spanish Main, now meeting for the first time on the soil of the mother country.

The United States exhibits, arranged through the cooperation of 23 of its government bureaus and independent establishments with the commission of the United States to the Exposition, will embrace virtually every phase of governmental activity. Industry, the arts, agriculture, commerce, aeronautics and home-making are included in these exhibits, made possible through a Congressional appropriation of \$700,000. Thomas E. Campbell, former Governor of Arizona, is Commissioner General under appointment of President Coolidge.

All China Is Now Unified Secretary Kellogg Believes

The raising of the Chinese national flag by Manchuria, which hitherto had maintained a separate government, indicates the unification of all China, according to an oral statement by the Secretary of State, Frank B. Kellogg, December 31.

Secretary Kellogg said he looked upon the action with great satisfaction. He said he did not know when the tariff treaty between the United States and China would be ratified, but he does not know of any opposition to the treaty in the Senate.

power. Indeed, the bill would undertake to deprive federal courts of several portions of the judicial power, including:

"Power to issue an injunction to prevent continued violation of the federal antitrust statutes by an organization of wage earners, even though the violation of the law causes irreparable damage;

"Power to grant any relief, at law or in equity, with respect to contracts which may be lawful according to the laws of the State applicable to them and which are properly before the federal courts."

"The organizations in our membership have committed the Chamber to the proposition that there should be no attempt to decrease the power or diminish the jurisdiction of the federal courts. It is submitted, likewise, that there should be no attempt by Congress to deal through indirectness with contracts which substantively are wholly within the purview of the States.

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Steamboat Inspection By Officers of Navy Urged by Mr. Bloom

Transfer of Service from Department of Commerce Sought to Increase Efficiency.

Transfer of the Steamboat Inspection Service from the Department of Commerce to the Department of the Navy to guard against repetition of the "Vestris" disaster, is proposed by Representative Bloom (Dem.), of New York City, in a statement just issued, which follows in full text:

The United States cannot truthfully disavow a share in the responsibility for the recent loss of the steamship "Vestris," even though the liner was a foreign-owned vessel under a foreign flag.

She sailed, regardless of her nationality, from the port of New York. It was by our own port authorities that she was granted the clearance which permitted her to put to sea.

The whole purpose of our Federal Steamboat Inspection Service is to prevent the unnecessary jeopardizing of the lives of passengers and sailors, and the risking of property, through the authorization of their departure from our ports in craft either unfit in themselves or inadequately manned, found and equipped to meet all reasonably to-be-expected dangers of the sea.

Obviously the "Vestris" did not come up to these requirements. It was for the New York inspection service to have discovered her defects. The inspectors' failure to find them, or to call attention to them, if they did, pointing out the cause of the disaster, is a matter of fundamental wrong with the service.

To guard against it in future the most obvious precaution is to adopt a method of organizing the service so as to guarantee a personnel thoroughly trained for its duties and with the highest possible sense of responsibility.

There is just one quarter in which to look for this type of personnel, and that is in the United States Navy.

Steamship inspection is not, in the nature of things, a function ideally suited to the Commerce Department, under whose jurisdiction the service is placed by the present law.

Moreover, a civilian inspector is by no means necessarily trained for his work in all its details. He may be, for example, a very good shipmaster, but it does not follow that his knowledge extends to the last rivet in a ship's hull, as the Annapolis graduate's does.

Briefly, no guarantee of efficiency goes with any civilian to equal a Navy man's. Besides, a civilian's stake in his job is not a naval officer's. The latter is answerable to his superiors for even his smallest errors of judgment.

No explanation "goes" in the Navy, as in civil life is frequently the case. The worst mistake by a civilian can be punished only by his dismissal. A Navy man's professional credit and honor are involved. No civil investigation has the gravity of a naval court of inquiry.

Transfer of the Steamboat Inspection Service from the Commerce Department to a duly organized naval bureau, in my opinion would be the best possible assurance against repetition of such disasters as cost more than 100 lives through the loss of the "Vestris."

Regulation of Cargoes Urged. Incidentally, it appears plain that the law should give the inspectors a potent voice in the important matter of the stowage of cargoes.

Through the "Vestris" final sinking clearly was due to weakness in the vessel herself, the ablest expert opinion is that a cargo-shifting resulting from faulty stowage originally was to blame for the accentuation of the craft's inherent defects.

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Federal Forecast of Lower Cotton Prices Injured Growers, States Mr. Rankin

Member of House Replies to Minority Report of Senator Capper on Investigation by Senate.

Representative Rankin (Dem.), of Tupelo, Miss., in a written reply December 31 to a recently published report of Senator Capper (Rep.), of Kansas, on the Senate's cotton investigation, said the Department of Agriculture's "price decline prediction" of September 15, 1927, wrecked the cotton market, destroyed public confidence, and brought depression to cotton growers unparalleled since the World War.

Mr. Rankin was one of two members of the House invited to sit in and examine witnesses with the members of the Senate committee in the cotton investigation of last spring. Excerpts from his statement follow:

"Be it remembered that of the five Senators and two House members who conducted this investigation, Senator Capper, so far as his report is concerned, constituted the minority. For he is the only one connected with this investigation who approves it. Senator Frazier not only refused to sign the Capper 'minority' report, but stated that he did not agree with it, and said that if he had been present when the majority report was filed he would have joined in it.

"The entire record is teeming with testimony to the effect that this price decline prediction wrecked the cotton market, destroyed public confidence, and brought more depression and disaster to the cotton growers than any other one thing that has happened since the close of the World War."

"W. L. Clayton of the firm of Anderson Clayton & Company himself stated before the Committee that, in his opinion, this price decline prediction precipitated the break in the market, which played such havoc with the cotton farmer and the cotton trade for the remainder of that year. Another leading cotton merchant described this price decline prediction as a 'terrible blow,' so shaking the public confidence in an otherwise stable and steadily advancing market that he was compelled to take his losses and get out of the market.

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Nations to Discuss Short Waves Division

Delegates of Four Countries Will Meet in Ottawa This Month.

summarized at a conference in Ottawa during November. Canada, however, requested that it be granted 50 per cent of the channels and informed the Department of State that it would negotiate until the principle of 50-50 division as between the United States and Canada was agreed to. An agreement subsequently was made, however, it was added, under which the conference will be held.

Since this agreement, the Federal Radio Commission has allocated 70 of the 639 channels, and has set aside for commercial use on an unshared basis by the United States. Forty of these were assigned to the Universal Wireless Communications Company of Buffalo, a new concern, for the purpose of establishing a radio point-to-point communications network linking 110 cities, and accepting message business on a public service basis.

The Commission assigned 20 short wave channels to the American News Traffic Corporation, and its associated news gathering organization for the distribution of news dispatches on a public service basis. These channels will be used in connection with the 20 transoceanic channels allocated the press organization recently.

Without designating the specific channels assigned to the successful applicants, of which there were 848, the Commission announced that 95 of the 639 channels were set aside from Government use, and that of the remaining 456 channels 308 were allocated to fixed stations and 148 to mobile services. The remaining 88 channels are those that will be the subject of discussion at the forthcoming conference, it was explained.

At the Department of State it was said that the reason for requesting postponement of the Canadian conference until January 21 was because January 8 is the House Committee on Merchant Marine and Fisheries begins hearings on the White Bill (H. R. 15430), to extend the life of the Radio Commission for a year after March 15, 1929. Members of the Commission are called to testify before the Committee and for that reason will be unable to attend the Ottawa sessions on January 9, it was explained.

Nothing has contributed more to the era of sound industrial and business conditions which the United States is now experiencing than the good will and understanding between employers and employees, the Secretary of Labor, James J. Davis, said in a New Year statement made public December 31. The full text of the statement follows.

In connection with the country's sound industrial conditions, one of the most pleasing features, which I am confident has firmly impressed itself on American industry, is the spirit of good will and understanding which now exists generally between employers and employees. In the present era of full production and good business, nothing has contributed more to our industrial stability.

With the purchasing power of our wage earners growing more and more vital to our national well being, and this being more widely understood than heretofore, I can see no reason why we should not have an even better industrial and business success in the New Year. The signs point that way.

Two Changes Announced in Agricultural Personnel. Dr. M. C. Merrill was appointed Chief of Publications, and Frank D. Smith, Assistant Chief, in the Office of Information of the Department of Agriculture, the Department announced on December 31. The full text of the announcement follows:

Dr. M. C. Merrill has been appointed Chief of Publications in the Office of Information, Department of Agriculture, according to an announcement by M. S. Eisenhower, Director of Information, who has also named Frank D. Smith as Assistant Chief of Publications in Charge of Operations. Dr. Merrill has been Acting Chief of Publications since last July. Mr. Smith has been in charge of the printing done for the Department.

Dr. Merrill's present position combines those of Chief of Publications and Editorial Chief of Publications, previously

Labor Outlook Good, Asserts Director of Employment Service

Scarcity of Jobs in 1929 Only for Unskilled Workers and "White Collar" Class, He Predicts.

That business throughout the United States will be "good" in 1929 was predicted by the Director General of the Employment Service, Francis I. Jones, in a survey of the business and industrial situation, made public January 1 by the Department of Labor.

It is apparent in view of such prospects, he says, that labor on the whole will be well employed, although there will be some unemployment, particularly among the so-called "white collar" class and manual and unskilled laborers.

The statement, in full text follows: The business world enters into the New Year with greater confidence and on a better employment basis than it did in 1928.

Our prediction that several lines of industry mark new high levels in 1929 is now a matter of history. After a careful survey of business and industrial conditions, and improvements and developments now in the offing, we predict that 1929 will be a good year.

The iron and steel industry is in a healthy condition, and the prospects are for further improvement. Reports from the automotive industry indicate that 1929 will be an outstanding year in the history of automobile manufacture.

The textile industry has worked itself into a better position and it is expected that it will continue to improve. Reports from miscellaneous industries describe the outlook for the new year as bright.

The expected development and expansion of the aircraft industry should offer employment opportunities for many skilled workmen. A tremendous road-building program will be under way as soon as weather conditions will permit. The prospects are that building construction will equal, and perhaps surpass, the splendid record of 1928.

Opportunities for skilled tradesmen appear to be very promising. Agricultural employment prospects for the year are regarded as very good.

In view of the sound business conditions, and the excellent prospects for the year, it appears that labor on the whole will be well employed, but there will be some unemployment, particularly amongst the white collar class and manual and unskilled workers.

Bids on Royalty Oil Are Invited by Navy

Products of Elk Hills and Buena Vista Reserves Offered for Sale.

Invitation shows, are the Beldridge Oil Company and the Pan American Petroleum Company, which turn over to the Navy certain portions of the oil produced as royalty oil, and which is being offered for sale by the Navy. Lessees of Reserve No. 2 are the Associated Oil Company, General Petroleum Corporation, Honolulu Consolidated Oil Company, Union Oil Company of California, North American Oil Company, Richfield Oil Company, Caribou Oil Mining Company, Record Oil Company, and Murvale Oil Company.

The present conditions of the sale follows in full text: 1. Bids are invited for the purchase from the Navy of royalty crude oil in accordance with the following conditions and specifications.

2. The bidder (or bidders) awarded the contract will be expected to take and pay for the royalty crude oil in accordance with the terms of this proposal and the contract based thereon, that has been and will be produced from the leases in question from 12 p. m., February 14, 1929, to 12 p. m., February 14, 1931.

3. The Government does not guarantee the quantity of royalty crude oil included in this contract. For the month of October, 1928, the royalty crude oil from Naval Petroleum Reserve No. 1, amounted to about 112,000 barrels, and from Naval Petroleum Reserve No. 2 amounted to 62,811 barrels. Further information if desired, in regard to the quality and quantity of the royalty crude oil, may be obtained from the Inspector of Naval Petroleum Reserves in California, Lieutenant Commander I. F. Landis, whose address is: Room 401 Grant Building, Los Angeles, Calif.

4. During the above stated period and upon and subject to the terms and conditions herein provided, the Government agrees to sell to the contractor, and the contractor shall agree to buy and take from the Government, all royalty oil which the Government is entitled to receive in kind as royalty under and by virtue of the terms of oil and gas leases, listed hereinafter, produced from the before-mentioned leases in Naval Petroleum Reserves Nos. 1 and 2, Kern County, California.

5. This contract shall continue and remain in effect until 12 p. m., February 14, 1931; and thereafter until 30 days after the Government shall have given notice to the contractor in writing of its desire to terminate this contract. It is understood that after February 14, 1931, the contractor may also terminate the contract by giving to the Government 30 days' notice in writing of his desire to do so.

Costlier Fabrics Displace Cotton in Homes Of Families Whose Incomes Have Increased

Growth of Community Also Reflected in Larger Relative Use of Silk, Linen and Rayon.

The proportion of linen cloths to cotton textiles for table and bathroom supplies and of silken fabrics to cotton for bedroom and window furnishings increases with the advance in income among American families, according to a study for 1927 and five years previous, made by the Bureau of Home Economics, is just made public by the Department of Agriculture.

A preference for wool, linen, silk, or rayon over cotton textiles for household articles was also shown to increase with size of the communities in which the families studied had their residence. The full text of the section of the study (Miscellaneous Publication No. 31) dealing with the proportions of cotton to other textiles for household articles by income and by size of community follows:

A comparison between the average number of the various household articles made of the different textile fibers used per family in the three income groups, under \$3,000, \$3,000 and under \$5,000, and \$5,000 and over, shows that as the income increases the families increase their supply of most of the articles included in this study. The choice of textile fibers for the different articles also varies with size of income.

In the case of doilies sets, luncheon cloths, tablecloths, table napkins, dish towels, and face towels, where there is a choice between cotton and linen, the general trend is toward an increase in the use of linen.

136 More Plane Engines Are Bought by Navy. An order for airplane engines at a cost of \$1,079,782, on December 31 was placed by the Department of the Navy with the Pratt & Whitney Airplane Company, Hartford, Conn. The full text of a statement by the Department follows:

A Navy Department has ordered 136 additional engines and spare parts from the Pratt & Whitney Company for a total of \$1,079,782.20. This is an addition to the 120 engines now being manufactured by the Pratt & Whitney Company under contract of November 26, 1928.

Crop Production in 1928 Showed Three Per Cent Gain

during November, and it may be doubted whether there is a very much larger total number of cattle on feed now than a year ago. The total number of sheep and lambs on feed in the country was apparently about the same on December 1 this year as last.

The bureau's index of purchasing power of farm products in terms of other commodities is placed at 86 for November, compared with 88 for October, the five-year period 1909-14 being used as a base of 100.

reported increases in one or more residence groups in number of wool blankets as compared with cotton blankets, of cotton-filled comforters with wool covers as compared with cotton covers, of wool or worsted rugs as compared with cotton rugs, of linen as compared with cotton doilies sets, luncheon cloths, tablecloths, table napkins, dish towels, and face towels, of rayon bedspreads as compared with cotton bedspreads, of silk sofa-pillow covers as compared with cotton covers, and of silk or rayon window curtains as compared with cotton curtains.

In a comparison between the number of household articles used in 1927 and five years previous size of income seems to have some effect on textile fibers. If the percentage of families reporting "less in 1927 than five years previous" is subtracted from that reporting "more in 1927 than five years previous" the net percentage of families reporting an increase is secured.

In an analysis of this increase and of the percentage of families reporting "same" cotton stands out in all income groups as used as much as or more than the other textile fibers for most of the articles.

Noteworthy exceptions occur, however, in the case of doilies sets, luncheon cloths, table napkins, and dish towels. For these articles linen increased more than cotton in the two highest income groups, whereas in the lowest income group cotton increased as much as or more than linen.

Furthermore, in the case of pillow shams, quilts, and window curtains the majority of families in the income groups of \$5,000 and over increased their use of silk more than that of cotton, while those in the lower income groups shows a greater increase in their use of cotton than of silk. No relationship seems to exist between size of income and increase in the use of rayon articles.

A comparison between the average number of articles of different textile fibers reported per family in each of the five residence groups shows that families living in towns and cities of 5,000 and over in population use a somewhat greater number of certain household articles than do those living on farms or in communities of under 5,000. Moreover, in the case of some of these articles the textile fiber chosen also varies according to size of residence community.

Change in Requirements With Community Growth. For those articles that show a change in use of textile fibers, in general, wool, linen, silk, or rayon are more used and cotton less used as size of residence community increases. For example, the average number of wool blankets increases and of cotton blankets decreases in general with the increase in size of residence group. There is a conspicuous larger proportion of linen luncheon cloths, tablecloths, table napkins, and dish towels in comparison with cotton in the larger residence groups.

In the comparison of the number of household articles used in 1927 and five years previous, size of residence community seems to have no influence, but if the percentages of families reporting "less in 1927 than five years previous" are subtracted from those reporting "more in 1927 than five years previous" a net increase is shown throughout all the residence groups for most of the articles.

On the basis of textile fibers, cotton stands out in the percentages of families reporting that they used the same or a greater number of the various articles in 1927 than five years earlier. Noteworthy exceptions to this are the

reported increases in one or more residence groups in number of wool blankets as compared with cotton blankets, of cotton-filled comforters with wool covers as compared with cotton covers, of wool or worsted rugs as compared with cotton rugs, of linen as compared with cotton doilies sets, luncheon cloths, tablecloths, table napkins, dish towels, and face towels, of rayon bedspreads as compared with cotton bedspreads, of silk sofa-pillow covers as compared with cotton covers, and of silk or rayon window curtains as compared with cotton curtains.

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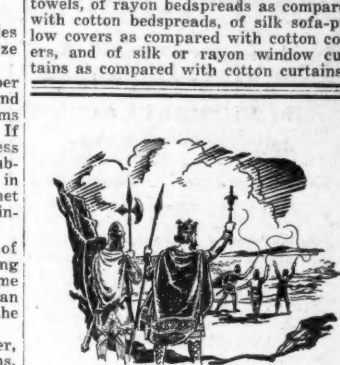
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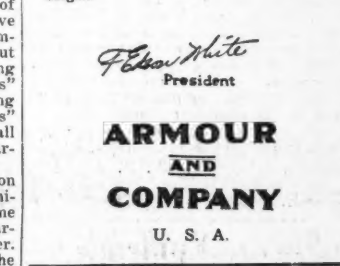


"Tides, Roll Back!"

THERE is so much glib talk about how people are giving up meat and turning to vegetables that some actually believe the meat business is on the decline. Nothing could be farther from the fact—as a prominent restaurant chain that experimented with a vegetarian menu can testify. Its recent advertising invites patronage for tasty meat dishes.

These figures a-plenty to show that producing and preparing the nation's meat is a vigorously growing business. With the exception of the war period, when America fed much of the world, its volume was never so great as today.

It is no more possible to change the tide of public appetite for meat, than it was for King Canute, of old, to stem the ocean tides. Meat is one of the fundamentals of the nation's diet, just as it always has been. The future of Armour and Company in the meat business was never so bright.



Plan for Conciliation Accepted by Bolivia

Conference to Be Informed Regarding Modifications Desired.

Bolivia has accepted "with slight modifications" the conciliation plan proposed by the Pan American Arbitration Conference, according to a note received from La Paz by the Bolivian Minister, Diez de Medina, on December 31. The Paraguayan acceptance had been received previously.

Senor Medina stated orally that he expected a more detailed explanation from his government regarding the modifications desired, which he will communicate immediately to the Special Committee of the Pan American Conference. The Secretary of State, Frank B. Kellogg, said the Bolivian reply would be communicated to the Special Committee on Paraguayan-Bolivian Conciliation.

Secretary Kellogg stated that he did not know who would replace Dr. Victor Maurtua of Peru as chairman of the Committee. Dr. Maurtua is suffering with pneumonia.

The final draft of the arbitration treaty was completed on December 29 and was submitted to the subcommittee on arbitration on December 31, according to information obtained at the Pan American Union. The Conference is now awaiting approval by one or two Latin American nations of the conciliation treaty.

Commercial Credit Declared to Be Ample

Money Situation Extraordinary, Says Secretary of Commerce.

The year 1928, with regard to credit conditions, was described as "extraordinary" by the Secretary of Commerce, William F. Whiting, in a statement made public December 31. The year, he said, witnessed a reversal of the easy-money situation which had prevailed for several years.

The full text of Mr. Whiting's statement on credit conditions follows: Some of the most important economic forces which dominate the business situation as we enter the New Year are credit conditions, the degree of accumulation of merchandise stocks and of speculation in them, the size of the crops and of our current industrial output, the rate of wages and volume of employment, and the prospects of foreign trade.

With respect to credit conditions 1928 has been an extraordinary year. The inflow of gold which began in the autumn of 1927 continued during the first half of 1928 and caused a reversal in the easy-money situation that had prevailed for several years. Public attention has been fixed on the rise in the rates on stock exchange 90-day time loans from 4 1/2 per cent in January to 7 1/2 per cent in the early autumn and the even greater rise in call-money rates.

It is well, however, to note that bank credit for commercial purposes has been in ample supply at rates ranging from less than 1/2 per cent higher in Southern and Western cities to slightly over 1 per cent in New York City, while open-market rates for commercial paper have increased by only 1/4 per cent during the year.

Nothing has contributed more to the era of sound industrial and business conditions which the United States is now experiencing than the good will and understanding between employers and employees, the Secretary of Labor, James J. Davis, said in a New Year statement made public December 31. The full text of the statement follows.

In connection with the country's sound industrial conditions, one of the most pleasing features, which I am confident has firmly impressed itself on American industry, is the spirit of good will and understanding which now exists generally between employers and employees. In the present era of full production and good business, nothing has contributed more to our industrial stability.

Prosperity Ascribed To Industrial Peace

Secretary Davis Says Capital And Labor Are in Harmony.

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With the purchasing power of our wage earners growing more and more vital to our national well being, and this being more widely understood than heretofore, I can see no reason why we should not have an even better industrial and business success in the New Year. The signs point that way.

Two Changes Announced in Agricultural Personnel

Oakland, Calif., Designated As Customs Port of Entry

President Coolidge, by executive order, has designated Oakland, Calif., as a customs port of entry, the Department of the Treasury announced orally on December 31.

The port of entry is on the east side of San Francisco Bay and includes Oakland, Alameda, Berkeley, Emeryville and San Leandro. The order becomes effective January 14.

Insurance Company of North America

Indemnity Ins. Co. of North America

Taxation Penalties for Fraud in Income Returns Are Remitted by Board of Tax Appeals

Intent Not Improper In Method of Report

Tax Obligations of Several Petitioners Are Also Redetermined In Decision of Appeal.

JOHN B. ARNOLD AND METTE L. ARNOLD, PETITIONERS, V. COMMISSIONER OF INTERNAL REVENUE; N. B. ARNOLD AND MARY F. ARNOLD, V. SAME; JOHN B. ARNOLD, V. SAME. DOCKET NOS. 20887, 20888, 20889 AND 20890, BOARD OF TAX APPEALS.

The principal error alleged in each of these proceedings, which were consolidated for hearing and decision, was that the taxing authorities erred in assessing fraud penalties against each of the petitioners for all of the three years involved.

The Board of Tax Appeals held that the determination by the taxing authorities of fraud was erroneous. The net income of the several petitioners was also redetermined by the Board.

The petitioners had employed persons whom they believed to be competent to prepare their income tax returns. As to the first three of the three years in question they relied entirely upon the judgment of those employed as to the accounting methods to be followed in determining income, the opinion explains.

Intent Not Fraudulent In Preparing Returns

There is nothing, it is further stated, to indicate that the method of reporting income was chosen for any improper purpose. The Board held that no fraud was committed in choosing the method used, and that the petitioners, in good faith, attempted to report, according to the method chosen, all of their income.

Other matters relied upon by the taxing authorities to support the imposition of fraud penalties were also held to be insufficient bases.

Arnold R. Banr, Arthur R. Foss, Thorwald Hansen, John B. Arnold and N. B. Arnold for petitioners; James A. O'Callaghan and De Witt M. Evans for respondent.

The full text of the findings of fact and of the opinion follows:

Findings of Fact: John B. and N. B. Arnold are attorneys at law residing in Duluth, Minnesota. N. B. Arnold has practiced law in that city since 1913. John B. Arnold has been engaged in the practice of law in Duluth, Minnesota and Superior, Wisconsin, for many years, except for a period of four years during which time he practiced law in New York City. During the absence of John B. Arnold in New York City, N. B. Arnold occupied his law office and closed up or cared for some matters incident to the law business which John B. Arnold left behind him.

In October, 1918, there occurred in northern Minnesota what is known as the great fire. This fire devastated several areas occupied by thousands of people and occasioned tremendous losses to those residing or owning property in the burned-over areas. It followed naturally that the fire sufferers should seek to be reimbursed for their losses and in due time different ones consulted various counsel as to the possibility of recovery.

N. B. Arnold interested himself in the matter and went into the burned-over territory, made a preliminary investigation of the sources of the fires and concluded that they were to be attributed to the railroad passing through the devastated territory. These railroads, with one exception, were then being operated by the United States Railroad Administration.

Trains Believed Cause of Fire

Thereafter, N. B. Arnold discussed with his brother the advisability of undertaking the prosecution of claims against the Railroad Administration and it was agreed between them that they should undertake to handle jointly such claims as came to them, sharing the expenses and proceeds equally.

In December, 1918, the Arnolds entered into an arrangement with one James F. Walsh under and by virtue of which, Walsh agreed to devote his time to an investigation of the losses of the various fire sufferers whose claims the Arnolds had, and to assist in the preparation of the claims and the collection of facts and data for the trial of cases, if such became necessary, in connection of which Walsh was to receive one-third of the net earnings. Such expenses as were incurred by Walsh were to be paid by him in the first instance and reimbursed to him out of the fees received in the settlement of the fire claims.

Arnold Understood Field Investigated

The arrangement between the three contemplated roughly that John B. Arnold should handle the office work incident to the claims, that N. B. Arnold should conduct investigations, interview clients and handle the trial work, and that Walsh should assist in the investigations and in the collection of information and data necessary to the successful handling of the claims.

N. B. Arnold had had some 15 years of trial experience and had had a great deal of experience in the woods and under-wooded lumber cruising and the lumber business. He was accustomed to handle assignments when engaged by rich roads to assist in the acquisition of rights of way therein. He was also an experienced woodsman and cruiser and qualified to do a great part of the work incident to examination and determination of the losses and the collection of the information necessary for the handling of the claims.

The fires occurred on the lines of the Great Northern Railroad, the Duluth, Minneapolis and Northern Railroad, the Duluth & Iron Mountain Railroad, Northern Pacific and Soo lines, the Washburn Logging Railroad, all of which were under the control of the Railroad Administration, and Duluth, Winnipeg & Pacific Railroad which was a Canadian owned road and not under the control of the Railroad Administration.

Total Loss Set At \$20,000,000

There were a number of different fires. Those occurring in St. Louis and Carleton Counties covered areas, approximately 30 miles long and 15 miles wide, and those occurring in Carleton and Pine Counties covered an area of approximately 100 miles long and 15 miles wide as the result of the fires have been estimated at \$20,000,000. The total amount recovered as damages was approximately \$11,000,000 of which about \$6,000,000 was collected in what was known as the "Cloquet" district. Most of the claims against the Railroad Administration were small in amount. Of the total number, the Arnolds and their associates were interested in approximately one-half.

Suit was Instituted by the Arnolds against the Railroad Administration on May, 1919, and resulted in a verdict for the defendant. A second case tried in the same month also resulted in a verdict for the defendant. Another case was tried in June and July of 1919 and the jury disagreed. This same case was retried in November of the same year with the same result. In January, 1920, another case was tried by other attorneys and a verdict for the plaintiff secured. In February, 1920, another case was tried by the Arnolds, which trial consumed some three weeks with the result that the jury disagreed. A retrial of this case produced a similar result.

Counsel Instituted Test Case

In April, 1920, an agreement was reached between counsel for the Railroad Administration and the various counsel representing the fire claimants the substance of which was that another test case should be tried before five district judges sitting in banc at Duluth. This case, together with associated cases, came on for trial on the 5th of May and on the 16th day of September, 1920, the five judges rendered a decision in favor of the claimants.

Accounts Approved By Revenue Agents

Advice Followed in Continuing To Make Returns by Method Already Adopted.

and the net amount to be distributed therefrom, were instituted against them. At least one of these suits had not been finally disposed of at the date of this hearing. Some of the suits instituted in behalf of the fire claimants are still pending in the Supreme Court of the State of Minnesota.

One Case Tried For Each Locality

Because of the tremendous number of suits instituted, it was recognized that it would be impossible to have a separate jury trial in each case. The only practical solution of the problem was to try test cases in the various areas. These cases were very carefully prepared and tried as described above. In each case a large number of witnesses were called and the trial occupied many days. Each of these test cases, as was originally contemplated, served to determine and fix generally the liability of the Railroad Administration for the fire occurring in the area from which the claim arose.

During the years 1919, 1920 and 1921, the Arnolds devoted practically all of their time to the handling of the fire claims and advanced expense money in the amount of some \$70,000 or \$80,000. The first returns from the settlement of the cases were received in December, 1921. A large number of cases were settled in the year 1922, and fees in large amounts were collected for the various claimants.

As the fees came in they were deposited in the First National Bank of Duluth and the Northern National Bank of Duluth under the heading of "Arnold & Arnold Fire Case Accounts." Checks drawn against such accounts were to be signed "Arnold & Arnold as Attorneys" by one of the petitioners.

During the years 1922 and 1923, some seven or eight claimants, contending that the Arnolds had not properly handled their claims, sought to hold them responsible for the amount of damages which they contended should have been collected. The disputes thus arising are for the most part as yet undisposed of.

In October, of 1922, Walsh instituted suit against the Arnolds in which he contended that he was entitled to a one-third interest in all fees and that in addition thereto he was entitled to one-eighth interest by reason of other services rendered. This suit was finally disposed of by arbitration in the early part of 1924. In the latter part of 1926, one of the attorneys associated with the Arnolds brought suit against them seeking to have a decision rendered as to the amount of fees to which he was entitled, and the principal questions involved were decided by the court in the same year though the matter was not completely disposed of until after 1927.

Fees Distributed Among Attorneys

The actual settlement of the case in which the Arnolds were interested were in part consummated by them and part by their associates and from time to time the fees earned as the result of the disposition of these cases were in part distributed to the interested attorneys, one attorney having received \$25,000 in fees and notes in the year 1922.

At no time from the date the fees first began to come in down to the date of this hearing has it been possible to accurately determine the amount of the expenses and costs incident to the handling and settlement of the various cases. During all of this time some of the cases of the fire claimants have been pending and during all of this time there have been disputes, some of which are still unsettled, between the various interested attorneys or between attorneys and laymen who contended that they were entitled to a proportion of the profits.

On March 15, 1923, the following entry was made on page 7 of the journal of Arnold & Arnold:

Table with 3 columns: Dr., Cr., and amounts. Includes entries for Mette L. Arnold (services) \$11,000, J. B. Arnold \$11,000, and Mary F. Arnold (services) \$11,000.

The account of Mette L. Arnold, the wife of John B. Arnold, in the ledger of Arnold & Arnold for the year 1923 is as follows:

Table with 3 columns: Date, Description, and Amount. Lists checks from Jan 3 to Dec 15, 1923, totaling \$33,976.00.

Mary F. Arnold returned the sum of \$22,976 as salaries and wages on her income tax return for that year.

On December 31, 1923, the following entry was made on page 30 of the journal of Arnold & Arnold:

Table with 3 columns: Dr., Cr., and amounts. Includes entries for Dr. N. B. Arnold \$11,000 and Cr. To reverse entry of March 15, 1923, \$11,000.

It was the understanding of N. B. Arnold that both he and his wife, Mary F., would have to pay an income tax on the amount paid to her salary for the year 1923 as determined and that the returns were made out on that basis.

Sparen, the bookkeeper who made out the returns, thought he had included the \$11,000 in N. B. Arnold's income for 1923 which was debited to Mary F. Arnold's account on March 15, 1923, and did not know until it was pointed out to him on the witness stand that he had not done what he had intended.

At no time did the Arnolds agree to enter into partnership between themselves or with other attorneys. A comparison of the income and deductions of the petitioners as reported on their several returns is shown at the end of this opinion.

Banker Engaged To Figure Tax Return

J. B. Arnold employed one Thomas G. Alvord to make up the 1921 income tax returns. Alvord was president and manager of the bank at Duluth, and was an expert accountant in connection with income tax matters. He was given no particular instructions other than to make up the returns from all of their books and records which were made available to him. It was the belief of the petitioners that sufficient records had been kept from which one capable of examining them could determine the net income. Alvord attempted to prepare the returns so that they would show as gross income only the portion of the fees which he believed to be his, and that the Arnolds out of the joint Arnold & Arnold Fire Case Account.

Several bookkeepers and accountants were engaged from time to time during the period here in question. A man named Medworth employed by Alvord but left before it was time to prepare the 1922 returns. Edwin L. Pearson followed Medworth and made out the returns for the year 1922. Before the returns for the latter year were made a public accountant, named W. W. Blackshaw, was called in for consultation. Three methods of preparing the returns were suggested. Pearson and Blackshaw agreed that that method was followed.

Fraudulent Returns

Penalties

Fire Losses

Index and Digest Of Tax Decisions and Rulings

SYLLABI are printed so that they can be cut out and pasted on Standard Library-Index and File Cards, approximately 3 by 5 inches, usually employed in libraries and filed for reference.

FRAUD PENALTIES: False and Fraudulent Returns: Method of Reporting Income: Reliance Upon Supposedly Competent Persons: Good Faith—Where, as to three years in question, petitioners employed persons whom they believed competent to prepare their income tax returns; and as to the first two years they relied entirely upon their judgment as to the accounting methods to be followed; and as to the third year those employed consulted certain revenue agents then auditing accounts of petitioners and were advised to continue to report income in manner theretofore followed; and advice of those supposedly competent persons was relied upon explicitly; and there is nothing to indicate that method of reporting income thus adopted was chosen for any improper purpose, held: No fraud was committed in choosing the method of reporting income and the petitioners, in good faith, attempted to report, according to the method chosen, all of their income for the years in question.—Arnold et al. v. Commissioner of Internal Revenue. (Board of Tax Appeals.)—Yearly Index Page 2672, Col. 1 (Volume III).

No unpublished ruling or decision will be cited or relied upon by any officer or employe of the Bureau of Internal Revenue as a precedent in the disposition of other cases.—Extract from regulations of Commissioner of Internal Revenue.

Compensation Allowed For Wife's Assistance

Mary F. Arnold assisted her husband, N. B. Arnold, substantially in preparing briefs and doing the work that an assistant in that line would ordinarily do. A reasonable compensation for the services rendered by her during 1922 and 1923 is \$5,000 each year.

John B. Arnold, Jr., the son of J. B. Arnold, commenced working for Arnold & Arnold in 1919. His work at that time consisted of driving cars on trips for investigation and during office work. He attended the Superior State Normal School from 1919 to 1922, inclusive, graduating in the latter year and worked for Arnold & Arnold after school, Saturdays and holidays. He also examined clients relative to contracts. In the fall of 1922 he enrolled as a law student at the University of Minnesota and while there made such investigations in that vicinity as were required, and frequently came home for the week-ends to work on questionnaires. He was paid \$2,200 for his services in 1922 and \$1,800 for his services in 1923. These amounts were not allowed as a deduction from the joint income of the Arnolds by the respondent.

Abou 1913, J. B. Arnold had an arrangement with Edward Finch, one Pakkala, Fred Rossan and Nels Anderson to acquire certain lands in St. Louis County, Minnesota. The three associates were to pay all of the expenses in connection with clearing up the title and Arnold was to have an equal interest in the fee after the title was perfected. During the course of the acquisition, Arnold advanced \$320.70 on account of abstracts and witness fees in connection with a suit. In 1922 Arnold was served with a notice of bankruptcy in the case of Finch. The other three associates had died prior to that time and Finch died soon after the bankruptcy. Arnold properly determined in 1922 that all hope of collecting the advances made by him was gone and charged the account off to profit and loss. The respondent did not allow any deduction from gross income on account of this item.

To be continued in the issue of January 3.

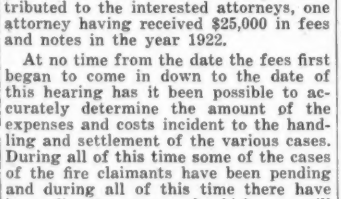
Truck Tire Improvements that mean Money to You

Fully as great as the recent advances in passenger car tire construction are the improvements which Goodyear now offers in truck and bus tires.

New peaks of truck tire ability result from these new betterments—new reaches in efficient and economical motor transport.

Extra durable body stock and structure extend still farther the vitality of Goodyear Tires, already the record holders for long life at low per-mile cost.

You ought to know about these Goodyear achievements if you are an owner or user of trucks. Goodyear Truck and Bus Tire Experts are at your command for consultation on the right type and size of Goodyear for your vehicles. Your local Goodyear Truck Tire Service Station Dealer is equipped and eager to give you the standard Goodyear Service that backs up Goodyear Truck and Bus Tire quality.



GOODYEAR THE GREATEST NAME IN RUBBER

Monthly Statements of Railroad Revenues and Expenses

(As Reported to the Interstate Commerce Commission.)

Southern Ry. Atlantic Coast Line R. R.

1928 1927 1926 1925 1924 1923 1922 1921 1920 1919 1918 1917 1916 1915 1914 1913 1912 1911 1910 1909 1908 1907 1906 1905 1904 1903 1902 1901 1900

Freight revenue 9,538,913 9,347,275 100,017,003 101,384,892 4,617,776 4,355,738 47,436,747 54,104,968 755,612 934,771 12,081,741 13,759,220 5,945,509 6,355,448 65,130,626 73,851,615 809,193 1,179,902 10,243,073 11,933,032 1,163,128 1,425,239 13,745,869 15,655,105 2,036,839 2,319,894 23,255,094 27,140,420 4,364,447 5,311,381 51,634,149 59,010,715 1,579,462 1,044,067 13,496,477 14,840,900 550,000 550,000 5,200,000 5,501,800 2,327 1,882 19,586 38,247 1,027,135 492,185 8,276,891 9,300,853 1,156,292 607,332 8,609,271 9,672,169 5,127,33 5,099,57 5,114,99 5,076,11

Passenger revenue 12,255,830 12,186,141 132,254,826 136,217,915 5,945,509 6,355,448 65,130,626 73,851,615 809,193 1,179,902 10,243,073 11,933,032 1,163,128 1,425,239 13,745,869 15,655,105 2,036,839 2,319,894 23,255,094 27,140,420 4,364,447 5,311,381 51,634,149 59,010,715 1,579,462 1,044,067 13,496,477 14,840,900 550,000 550,000 5,200,000 5,501,800 2,327 1,882 19,586 38,247 1,027,135 492,185 8,276,891 9,300,853 1,156,292 607,332 8,609,271 9,672,169 5,127,33 5,099,57 5,114,99 5,076,11

Maintenance of way 1,652,797 1,502,724 19,595,492 19,036,453 809,193 1,179,902 10,243,073 11,933,032 1,163,128 1,425,239 13,745,869 15,655,105 2,036,839 2,319,894 23,255,094 27,140,420 4,364,447 5,311,381 51,634,149 59,010,715 1,579,462 1,044,067 13,496,477 14,840,900 550,000 550,000 5,200,000 5,501,800 2,327 1,882 19,586 38,247 1,027,135 492,185 8,276,891 9,300,853 1,156,292 607,332 8,609,271 9,672,169 5,127,33 5,099,57 5,114,99 5,076,11

Maintenance of equipment 1,955,991 2,043,449 22,928,027 24,011,634 1,163,128 1,425,239 13,745,869 15,655,105 2,036,839 2,319,894 23,255,094 27,140,420 4,364,447 5,311,381 51,634,149 59,010,715 1,579,462 1,044,067 13,496,477 14,840,900 550,000 550,000 5,200,000 5,501,800 2,327 1,882 19,586 38,247 1,027,135 492,185 8,276,891 9,300,853 1,156,292 607,332 8,609,271 9,672,169 5,127,33 5,099,57 5,114,99 5,076,11

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Net from railroad 4,057,749 3,350,741 38,328,044 40,375,088 1,253,329 1,044,357 13,802,598 15,094,253 2,766,713 3,317,814 32,941,699 37,169,815 3,167,149 3,094,298 29,551,649 31,629,685 1,027,135 492,185 8,276,891 9,300,853 1,156,292 607,332 8,609,271 9,672,169 5,127,33 5,099,57 5,114,99 5,076,11

Taxes 859,304 855,152 8,759,374 8,715,892 550,000 550,000 5,200,000 5,501,800 2,327 1,882 19,586 38,247 1,027,135 492,185 8,276,891 9,300,853 1,156,292 607,332 8,609,271 9,672,169 5,127,33 5,099,57 5,114,99 5,076,11

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Aver. miles operated 6,730.64 6,711.18 6,763.60 6,771.18 73.4 83.6 79.3 79.9

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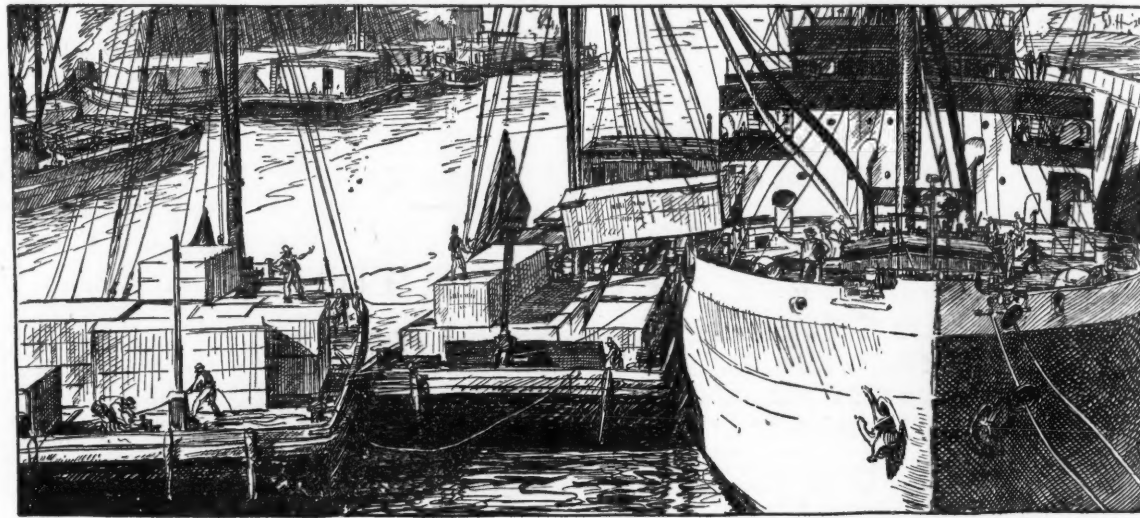
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COMMERCE

A MONTHLY REVIEW OF CONDITIONS AND TRENDS

Published by the NATIONAL BANK OF COMMERCE in New York



The Foreign Automotive Market*

A Study by the Service Department, National Bank of Commerce in New York

Of the world's thirty odd million motor vehicles, almost four-fifths are used in the United States. To our domestic automotive industry this is significant, not that we use so many, but that other countries use so few. It suggests that other sections of the world offer potential markets which can be developed as substantially, if not as rapidly, as our domestic market, where the rapid increase of registrations has already shown some signs of slowing up and where replacements now supply the bulk of the current demand.

In judging the potential growth of foreign automotive demand we must remember that the industry is a relatively new one. Mass production is largely an accomplishment of the past fifteen years during which development has been particularly favored in the United States. The war increased and diffused American buying power but left many other nations poorer, faced with difficult reconstruction problems, and burdened with taxation.

These effects have not been eliminated, but they are now a calculable part of a rebuilt economic world. Foreign automotive demand has increased. In 1919 the total of motor vehicles outside of the United States and Canada was less than a million. In 1923 it was still under two million. For 1927 it was something over five. Annual requirements for new cars are now probably not far short of a million and a quarter—more than double the number of 1923. If such rates of growth may be projected into the next few years, they promise a world market of great importance.

Foreign Manufacture

It does not follow that this foreign market is necessarily one for American cars. Manufacturers abroad are striving energetically to build up their own industries. Competition from American cars has had a profound effect in Europe where practically all foreign manufacture is concentrated. The European manufacturer's conception of the automobile as a high-cost luxury product is steadily giving away to the American idea of its utility to the general public. American production methods have been studied, consolidations have been effected to strengthen financial and marketing ability, and even the time-payment plan has been taken over as an aid to sales. Great Britain, France, Germany and Italy are the centers of foreign production. Estimates for 1927 indicate 231,000 vehicles produced in Great Britain, 190,000 in France, 72,000 in Germany, 55,800 in Italy, and 27,800 in other European countries.

The European Market

Western Europe is naturally by far the greatest natural market for motor vehicles outside of America. At present Great Britain, France, Germany, and Italy have more than half the total outside registration, and Europe as a whole, two-thirds. Future expansion is difficult to estimate but during the past few years automotive registrations in the leading European countries have increased three and fourfold. Bearing in mind the difficult economic and financial readjustments which were under way in this period, this compares favorably with the expansion which occurred a decade earlier in the United States.

It cannot be assumed however that the motorization of Europe will parallel

*A more detailed article containing a discussion of conditions in foreign automotive markets is available for business men who are interested. Address: Service Department, National Bank of Commerce in New York, 31 Nassau Street, New York City.

that which occurred here. A lower average of purchasing power, higher manufacturing costs and a variety of tariffs, taxes, and license fees combine with high fuel and operating costs to limit the possibilities of ownership. Class distinctions, habits of life, housing conditions, roads, customs' frontiers, etc. also have their effect.

But European wealth and purchasing power are improving. Automotive prices show a steadily declining tendency which should continue as the market grows in breadth. Cheaper synthetic fuels may be possible. Also the development of an extensive used-car market will undoubtedly play an important part in hastening the motorization of the rank and file of the population as it did in this country.

Hence it seems reasonable to anticipate a continued increase in Europe's automotive buying power. While protective tariffs and a more energetic European industry will perhaps conserve the greater part of this market to its own manufacturers, the progressiveness of the American industry in constantly improving its products will assure them a large following against all competition.

Markets in Other Countries

In both Europe and the United States motor vehicles have been used to supplement railroads and other well developed transportation systems. In much of the rest of the world they are becoming major instruments in extending inadequate facilities and in opening up transport in new regions.

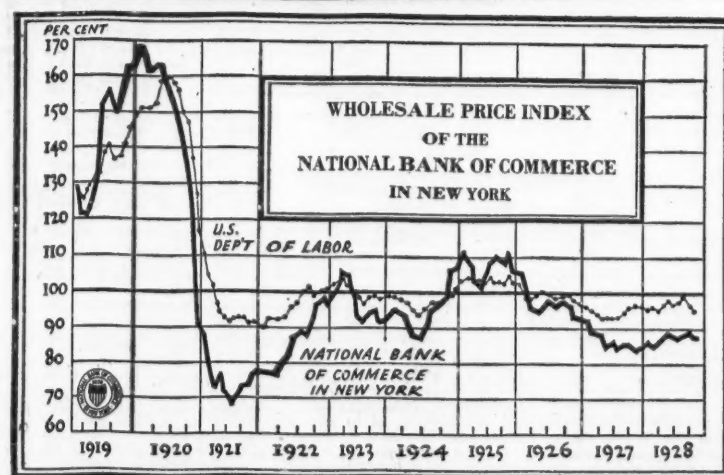
In this field, countries with the most highly developed road mileage offer the best immediate outlet for cars, not only because the roads are there to use, but because roads indicate the people, products and traffic to utilize motor vehicles extensively. But motor vehicles are penetrating into every quarter of the world where economic development is practicable and, in themselves, exert a powerful effect in bringing about the improved roads which favor their growth.

In general a steady and rapid growth of the aggregate foreign automotive market is indicated and it will probably be but a few years before it will compare with our domestic market in importance. The American industry has pioneered in

developing cars of high performance at low cost, a type that is even more important to the rest of the world than it is to the United States. Competition from abroad, particularly in Europe, will grow in power, but unquestionably the American industry has already secured first place in future expansion.

In this process the American industry will become even more international than is now the case. The close relationship between Canadian and United States production is common knowledge. Foreign assembly plants for American cars in various parts of the world, of which 29 were reported by the Department of Commerce at the end of 1927, will reduce transportation costs and permit more favorable tariff classifications in many countries. They will also create good will by employing local labor and buying domestic materials.

In some cases there is a tendency for these plants to become more and more fully naturalized until they rely almost wholly on local labor, materials, management, and even for part of their capital on the country of their location. How far this may go remains to be seen, but it seems to afford a practical combination of American capital and productive efficiency with relatively low labor and material costs abroad.



WHOLESALE commodity prices on December 15 were very close to the level of a month ago, the index of the National Bank of Commerce in New York at 87.6 showing a decline of one-tenth of a point. By a strange coincidence five of the most sensitive commodities in the index—copper, hides, rubber, silk and coffee—remained steady at unchanged prices. Firm to higher prices characterized all the major metal markets, and textile raw materials were generally strong on the increase in machinery activity. Declines were most

Science and Salmon Fishing

The Conservation of an Industry

ANNOUNCEMENT this season of one of the largest Alaska salmon packs of recent years justifies the conservation policy of the United States Government. The supply, long considered inexhaustible, was preserved at a stage when it had been seriously jeopardized by overfishing.

Year after year throngs of the fish swim up the rivers from the sea to spawn and die. The young hatch, migrate to the sea where they mature and eventually return to fresh water, usually the same river, to complete the life cycle. The fresh water runs take place between April and November, but the time and length vary with the species in different localities, but at predictable intervals. Hence it became easy to exploit the supply even to its exhaustion.

Fishing is done by seines, gill nets, traps and wheels. The catch is now limited under American jurisdiction by early closing of the season or by allowing a proportion of the fish to escape.

A more complete article on the salmon industry, its methods and markets, is available. Address: Service Department, National Bank of Commerce in New York, 31 Nassau Street, New York City.

The Pacific Ocean provides the important commercial supply which is fished in the rivers of Washington, Oregon, California, Alaska, British Columbia, Siberia and Japan.

At present most of the fish are canned but improvements in salmon preparation and refrigeration may greatly increase the shipping of fresh fish. It has been discovered that fish quickly frozen surpass in quality slowly frozen fish. Slow freezing congeals the water in the fish into large crystals, breaking up and drying the cell structure. Quick freezing produces fine crystals leaving the structure practically intact. Such fish reach the distant consumer in better condition than unfrozen fish shipped in ice. Cooked without previous thawing, they retain much of the flavor, juices and texture of fresh caught fish. This discovery, and the improved "dry ice" and "silica gel" refrigeration methods which have revolutionized freight transport, should prove of tremendous value to the industry.



The British Financial and Business Outlook for 1929

By Westminster Bank, Ltd.

Correspondent of the National Bank of Commerce in New York

The economic outlook for Great Britain in the coming year bids fair to be dominated by political considerations to a much greater extent than normally. The Conservative Government which has held office since 1924 will "go to the country", probably in June or July, when 6,000,000 new women voters will figure on the register. The Government will, by all appearances, propound a constructive programme based on the derating of productive industry.

There is always a possibility, however, of the last-minute emergence of some extraneous question which might overshadow all other issues, and so win over the sympathies of the electorate as to upset completely the calculations of party leaders. Moreover, as three, and not two, parties will be opposed in the constituencies and at Westminster, the absence of a clear majority for any one party is a contingency to be reckoned with, which, on its realization, would necessitate somewhat delicate interparty negotiations, and the adoption of a policy of compromise. All concerned in the lending or borrowing of money, all who have orders to place or to withhold, can scarcely fail to be influenced by these considerations to a greater or less extent.

Financial Conditions

On the financial side, it may be expected that the stringency of the autumn of 1928 will gradually disappear as the remaining "crop-moving" and other payments to the United States are liquidated; that the large gold exports from Great Britain to Germany and other countries will be reduced, and that, with a rise in exchange rates above the gold point, the drain of the past few months on the national gold reserves will come to an end.

The maintenance of the official discount rate of the Bank of England at 4½ per cent. despite the special difficulties of the latter half of 1928 augurs for 1929 strict adherence to the policy of avoidance of unduly frequent changes. Conditions in New York must still be regarded as a factor of considerable and at present unknown importance, however, even though they may have less direct effect now than three or four years ago on the course of official rates in London.

From 1929, the Government has the option of redeeming the £2,000 odd millions of War Loan outstanding, but as this option extends until 1947, it seems hardly likely that a large-scale scheme of redemption or conversion will be introduced in 1929, unless interest rates show a considerable decline.

Stock Market

The upward movement on the Stock Exchange, which has endured with temporary reactions for the past two-and-a-half years, has recently shown some indications of weakening, and, given the political situation already mentioned, the "bullishness" of markets in 1928 may not be entirely paralleled in 1929. On the other hand, one section at least of Stock Exchange opinion is inclined to discount any extensive fall in sound investment values—a view supported to some extent by the steadiness of gilt-edged and other high-class fixed-interest stocks. Much will doubtless depend on conditions in New York. Though the bull movement in England has been definitely less pronounced than in America, any extensive reaction in that country could not fail to affect the general level of values here.

In the sphere of trade, where undue optimism has so often been falsified, hopes of at least a modest improvement may be based on the continued prosperity of the newer trades (though as regards such industries as artificial silk and motors the rapid expansion of the past two years may not be fully maintained), and the more determined efforts which have lately been initiated to reorganise and strengthen many of the leading companies in the less prosperous basic trades.

Industrial Prospects

This movement, has made tangible progress in the iron and steel industries and, to some extent, in the coal trade, though the latter as a whole is still, unfortunately, working at a loss. The cotton textile industry continues to be hampered by financial and other difficulties, but the indications of a growing determination to face unpleasant facts may portend a lessening of the gloom during the coming year. The railways, whose revenues in 1928 showed a falling-off, due partly to increased road competition and partly to depression in the heavy trades, have already shown themselves alive to the necessity of attracting increased traffic, and their efforts in this direction will no doubt be intensified during the coming year.

Altogether, while 1929 may produce few spectacular movements, it will have deserved well of the historian if it witnesses some alleviation of the heavy national burden of unemployment, which, it must be admitted, tended to increase rather than to decline in the past year. Should the conversations between organized labor and an influential group of employers, carried on in 1928, be brought to a successful outcome in 1929, the year will stand as not the least constructive in the recent annals of Great Britain.

Diamonds

The Trend of the Market

Diamond prices have risen steadily since the war except for a temporary depression in 1921 and 1922 due to adverse economic conditions and the marketing of many Russian jewels by refugee nobility and the Soviet Government.

The British syndicate, controlling most of the world production, helped relieve this situation by staying out of the market for two years. With the return of prosperity the demand from the United States, consumer of 80 per cent. of the world's supply, has increased so greatly that no large stocks are left.

Demand for larger stones of high quality and choice cut exceeds supply and prices have increased more in proportion than for small gem stones.

In 1926 and 1927 discovery of new alluvial deposits so greatly increased production that the price of diamonds was believed in danger. However, the greater part of the alluvial stones proved to be of small size and inferior quality and a large quantity was purchased and held off the market by the syndicate. Passage of the Precious Stones Bill of 1927 by the Union of South Africa has given it a large measure of control. These developments coupled with a demand much greater than had been believed possible have contributed to the upward movement of prices.



BUSINESS SURVEY

In the business world favorable conditions surrounded the beginning of 1929. The year just ended saw a steady advance of activity in one line and another; there are now few industries which have not enjoyed either a substantial recovery from past difficulties, or an expansion to new levels in the volume of business done. Since this activity has not outrun actual consuming needs, there is reason to believe that it will be maintained on a high plane well into the year.

Distribution Problems

This does not mean that enterprise in 1929 will enjoy a respite from the problems of distribution and production which are more and more strongly pressing for solution. In the field of trade the inexorable progress of large-scale merchandising, as exemplified in the chains and other great unified organizations, will in 1929 compel with new force the attention of manufacturers, as well as wholesale and retail distributors. So revolutionary a change in the distributive mechanism of a nation's goods as is now in full progress involves painful as well as painstaking readjustments.

Manufacturing Control

In manufacture, the great problem is to attain and hold a nice ratio of output to the fluctuating volume of demand. In more and more lines of enterprise the attempt is being made to secure this adjustment by volitional control of output rather than by the blind forces of competitive struggle.

Desirable as such a method is, the long record of past failures must warn against a too-easy hope of its success. Danger comes from business that is too good rather than too poor—from the active demand, rising prices and high profits that tempt an overjudgment of the market, leading to increased output and enlarged capacity that in the end mean its undoing. This is the most serious threat to the year's ultimate prosperity. It may start so well that its possibilities will be over-estimated.

National Bank of Commerce in New York

Midtown Office
269 Madison Avenue

Main Office: 31 Nassau Street
New York City

Railroads

Slight Gains Found In November Work Of Wool Machinery

Many Combs, Spindles and Looms Are Still Idle But Increases Are Shown in Active Machine-Hours.

The Department of Commerce has announced the following statistics on active and idle wool machinery for November, 1928, based on reports received from 869 manufacturers...

Of the total number of looms wider than 50-inch reed space, 32,298, or 63 per cent, were in operation for some part of the month of November, 1928, and 20,696 were idle throughout the month.

Of the total number of looms of 50-inch reed space or less covered by the reports for November, 1928, 9,331, or 65.2 per cent, were in operation at some time during the month, and 4,988 were idle throughout the month.

The number of carpet and rug looms reported for November, 1928, was 9,786 of which 6,631, or 67.8 per cent, were in operation for some part of the month, and 3,155 were idle throughout the month.

Wool Spindles Busier. Of the total number of woolen spindles reported in November, 1928, 1,696,847, or 76.1 per cent, were in operation for some part of the month, and 535,782 were idle throughout the month.

Of the total number of sets of cards reported for November, 1928, 5,320, or 78.4 per cent, were in operation at some time during the month, while 1,465 were idle throughout the month.

Of the combs reported for November, 1928, 1,878, or 70.4 per cent, were in operation for some part of the month, and 788 were idle during the month.

Statistics by geographic sections, will be included in this report with comparative figures for October, 1928. Of the total number of looms, cards, combs, and spindles, in operation for November, 1928, there were reported active, respectively 63.3, 63.1, 66.1, and 63.4 per cent from the New England States; 26.3, 30.7, 31.5, and 26.4 per cent from the Middle Atlantic States; 0.8, 1.7, 0.2, and 1 per cent from the Pacific Coast States; and 9.6, 14.5, 2.2, and 9.2 per cent from the other sections of the United States.

Ice Cream Becoming Popular With Swiss Consumption Said to Have Increased Steadily Since War.

The consumption of ice cream has been steadily increasing among the Swiss people according to a statement made public December 31 by the Department of Commerce based upon a report from Consul Donald Heath, at Bern.

Prior to the war ice cream was a hotel and restaurant dessert, rarely ordered by natives and very rarely served in households.

Most of the silver produced in Alaska during recent years has been recovered from the copper ores. In fact, during 1927, the latest year for which complete reports are available, over three-quarters of the silver came from that source.

The greater output of gold from both lodes and placers resulted in a slight increase in the amount of silver that is associated with the gold obtained from them.

Some silver is also recovered from ores that are principally valuable for the lead and silver they contain.

Airports of Customs Entry Are Designated by Treasury

Designation of two airports of customs entry and the abolishment of airports as a point of entry, were announced by the Department of the Treasury, December 31.

Lake Union, adjacent to Seattle, Washington, and the Ryan Flying Field in San Diego, Calif., are named as airports

Production of Gold in Alaska Expands And Output of Silver and Copper Declines Value of All Minerals Produced in 1928 Is Smaller Than in Preceding Year.

from the lode mines is attributable mostly to the greater output from properties of the Alaska Juneau Gold Mining Company, in southeastern Alaska.

Gold mining at the three larger properties on Chukot Island was carried on at a considerably reduced rate.

The small gold lode mines in the Fairbanks district report a considerable increase in their yield of gold.

New Dredges Operated At Placer Mines. The increase in production of gold from placer mines is attributable in most part to the greater output from the properties of the Fairbanks Exploration Company, in the Fairbanks district, which early in 1928 placed two of its large dredges in operation on Goldstream Creek and the Chatanika River.

A few of the dredges that formerly were active during 1928, but on the whole all the dredges that produced much gold in 1927 were again active last year, and most of them report fully as large a production as in 1927.

Alaskan Production Demanded Locally. All the petroleum produced in Alaska in 1928 continued to come from the wells of the Chikita Oil Co., near Katalla, where in addition to the oil wells, the company operates a small refinery.

Territory Produced Other Commodities. In addition to the mineral products already mentioned, Alaska also produced during 1928 some lead, marble, limestone, tin, and platinum.

Value of Copper Produced Is Estimated at \$6,100,000. The value of the copper produced from Alaskan mines in 1928 is estimated to have been \$6,100,000.

In 1928, as in former years, practically all of the copper came from two mines near Kennecott, in the Copper River region, and from one mine on Latouche Island, in the Prince William Sound region.

In the vicinity of the known ore bodies at these mines extensive tests have been made to determine the extent and to disclose any other bodies.

That there are in the Copper River region, as well as in other parts of Alaska, other deposits that hold promise of profitable development seems likely, and prospecting work is in progress at a number of these places.

Most of the silver produced in Alaska during recent years has been recovered from the copper ores. In fact, during 1927, the latest year for which complete reports are available, over three-quarters of the silver came from that source.

The tin ore was derived principally from placers near York, in Seward Peninsula, but small amounts were recovered from placers in the Hot Springs district of the Yukon-Tanana region.

The platinum metals came principally from placers in the eastern part of the Seward Peninsula and in the Goodnews Bay district at the mouth of the Kuosokwim River.

of entry in the districts of Seattle and Los Angeles, respectively. Bryn Mawr field, in the district of Seattle, Wash., is abolished as an airport of entry because "it appears that there is little or no air traffic between Bryn Mawr field and foreign countries, and that there is no longer any necessity for continuing that place as an airport of entry."

Commerce

Belgian Sand Enters Duty Free by Change In Treasury Ruling

Product Formerly Was Classified as "Silica" and Customs Charge of \$4 Per Ton Assessed.

Question Again Investigated. In view of the protests filed the Department again took this matter up for consideration and investigation and requested a further expression of views from the Geological Survey and the Bureau of Standards upon the subject and also requested an expression of views from the Bureau of Mines, Department of Commerce.

The Geological Survey in its present letter, after discussing the question and showing the various uses of the merchandise and its various designations, concludes with the statement that as the classification depends upon commercial designation rather than by use, it is of the opinion that it is not subject to duty as silica but is free of duty as sand.

The Bureau of Standards describes the several uses to which silica is put, for example, as wood filler, scouring soaps, foundry mold wash, metallurgy and chemical processes, etc., but states that in none of the uses referred to it is known as silica but under various names such as "flint," "silic," "foundry sand," etc.

Sand Classification Stands. The Bureau of Mines states that while the term "silica" is sometimes applied as a class name to miscellaneous groups of mineral substances such as quartz, flint, chert, infusorial earth, etc., these terms are of special usage rather than commercial terms, and that that Bureau does not regard glass and as silica nor is it bought and sold as silica and is always referred to as glass.

In view of the reports received, the Department feels that its previous decision, T. D. 42820, was based upon an erroneous view of the facts and it is now satisfied that Belgian sand is not when commercially as silica but is bought and sold and known in the trade as Belgian sand.

An amendment was offered on the floor to Paragraph 207 as follows: "Glass sand, \$1.50 per ton," and later amended to read, "Glass sand containing 99 per cent or more of silica, \$1.50 per ton."

Senate Debate Cited. It is clear from the discussion on the floor of the Senate that it was the opinion of the members that without this amendment glass sand would be free of duty.

For the reasons stated, and after a very careful consideration of this question, the Department feels constrained to rescind its ruling, T. D. 42820, and you are accordingly, directed to admit Belgian sand and other similar glass sands free of duty under Paragraph 1675 of the Tariff Act.

Paper on Pyrometer Selected for Prize Discussion of Bureau of Standards Scientists Chosen.

A discussion by two Bureau of Standards scientists on "Temperature Measurements of Molten Cast Iron" has been selected by the American Foundrymen's Association as one of the three best papers in the association's field published during the current year.

The authors of the paper, H. T. Wensel and W. F. Roemer, are, respectively, physicist and associate physicist of the pyrometry section of the Bureau.

The prize will be presented at the annual convention of the American Foundrymen's Association to be held in Chicago next spring.

I. C. C. Decisions - in - Finance Cases

The Interstate Commerce Commission has announced action taken by Division 4 in uncontested cases on its finance docket as follows:

Report and order in F. D. Nos. 7184, 7185, 7186, 7187, 7188, 7189, 7190, 7191, 7192 and 7193, authorizing the acquisition by the Reading Company of control of the rail-

Agriculture

Exports of Raw Cotton and Manufactures Increase in 11 Months Ending in November Statistics Are Announced on Shipments of Cloths, Yarns, Threads and Hosiery

Statistics of domestic American exports of cotton, cotton cloths, yarns, threads and hosiery for the 11 months ending in November were made public on December 28 by the Department of Commerce.

Exports of raw cotton, including lint, totaled 7,646,317 bales, valued at \$205,371,995, as compared with 7,710,530 bales, valued at \$745,015,616 in the corresponding period of 1927.

Cotton manufactures were reported to the value of \$122,555,490 as compared with \$121,531,777 in the corresponding period of 1927.

Tire fabrics to the amount of 5,811,587 square yards, valued at \$2,341,263, were exported as compared with 4,302,552 square yards valued at \$1,506,862 in the corresponding period of 1927.

Exports of unbleached cotton cloths totaled 109,844,408 square yards, valued at \$10,398,862, as against 118,382,599 square yards, valued at \$10,641,569, in the corresponding period of 1927.

Exports of bleached cloths totaled 87,736,639 square yards, valued at \$10,122,675, against 80,067,879 square yards, valued at \$9,122,230, in the corresponding period of 1927.

Exports of colored cotton cloths totaled 278,862,395 square yards, valued at \$44,791,859, against 304,903,900 square yards, valued at \$44,566,326, in the corresponding period of 1927.

Exports of carded yarn thread amounted to 12,142,415 pounds, valued at \$4,522,348, against 15,957,140 pounds, valued at \$5,170,314 in the corresponding period of 1927.

Exports of combed yarn thread amounted to 12,007,764 pounds, valued at \$9,575,595, against 9,854,076 pounds, valued at \$7,559,879 in the corresponding period of 1927.

Sewing, crochet, darning and embroidery thread was exported in the amount of 1,073,286 pounds, valued at \$1,084,048, as compared with 1,206,055 pounds, valued at \$1,125,832 in the corresponding period of 1927.

Exports of cotton hosiery totaled 3,552,049 dozen pairs, valued at \$6,177,769, against 4,033,707 dozen pairs, valued at \$6,791,966 in the corresponding period of 1927.

Exports of cotton hosiery reached Nogales, Sonora, Mexico, on November 19 and the first shipment of peas on December 6. All indications at present point to a very favorable year.

An increase of 20 per cent in freight rates on the Rio Mayo Railway may adversely affect producers along that line, particularly later in the season, states Consul Bursley.

Approximately 540 to 575 carloads of tomatoes and 1,000 to 1,200 carloads of peas will be available for export from the State of Sonora, Mexico, this season, according to a report from the Consul at Guaymas, Herbert S. Bursley, to the Bureau of Agricultural Economics, Department of Agriculture, which has just been made public.

Preliminary estimates of the vegetable crops in the State of Sonora on the Mexican West Coast indicate that the exportable surplus of peas this year will be somewhat lower than last year but that the exports of tomatoes may be somewhat larger.

The State of Sonora in the past has produced over 90 per cent of the peas but only around 12 per cent of the tomatoes grown on the Mexican West Coast. It is now estimated that a total of approximately 1,700 to 1,800 carloads of perishables will

Aeronautics

be available for export from Sonora this season. Of that quantity, tomatoes will constitute from 540 to 575 carloads, peas from 1,000 to 1,200 carloads and miscellaneous vegetables about 98 carloads.

Tilled Area Decreases. The total area planted to peas and tomatoes in the Yaqui, Mayo and Guaymas River valleys in the State of Sonora during the 1928-29 season amounts to 16,035 acres as compared with 18,624 acres in 1927-28.

The first exports of this season's Sonora tomatoes reached Nogales, Sonora, Mexico, on November 19 and the first shipment of peas on December 6.

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Sonora Will Export Tomatoes and Peas

Mexican State Decreases Acreage Planted, Due To Floods.

Approximately 540 to 575 carloads of tomatoes and 1,000 to 1,200 carloads of peas will be available for export from the State of Sonora, Mexico, this season, according to a report from the Consul at Guaymas, Herbert S. Bursley, to the Bureau of Agricultural Economics, Department of Agriculture, which has just been made public.

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Banking

Valuation

Public Utilities

Finance

Suit Charging Fraud In Removal of Oil From Reserves Filed

Action Started in District Court in Delaware Names Two Companies as Defendants.

Charging that the United States was fraudulently deprived of at least 20,000,000 barrels of crude oil, the Department of Justice has filed suit in the Federal District Court, Wilmington, Del., against the Sinclair Crude Oil Purchasing Company and the Mammoth Oil Company for an account of all gains and profits derived from the resale of the oil.

The bill in equity alleges conspiracy to defraud the United States by the two companies named in the suit, together with Albert B. Fall, former Secretary of the Interior, Harry F. Sinclair and the Sinclair Pipe Line Company. Because the latter three parties are not inhabitants of the District of Delaware, where the bill was filed, they were not named as defendants.

The Department is not precluded from filing suit against Mr. Fall, Mr. Sinclair, and the Sinclair Pipe Line Company, but does not contemplate doing so right away, it was stated orally December 31 by the Assistant to the Attorney General, William J. Donovan. He explained that future possible actions will await an accounting of the profits requested in the suit filed December 29.

A statement announcing the equity action, issued by the Department, follows in full text: The Department of Justice on December 29, filed a bill in equity against the Sinclair Crude Oil Purchasing Company and the Mammoth Oil Company. The bill was filed in the District Court of the United States for the District of Delaware. The suit is instituted by the United States for the recovery of profits which it is alleged have wrongfully accrued to the defendants as a result of a conspiracy which defrauded the United States of its lawful property.

Conspiracy Charged. The United States alleges that the defendant Sinclair Crude Oil Purchasing Company, defendant Mammoth Oil Company, together with Albert B. Fall, Harry F. Sinclair and the Sinclair Pipe Line Company conspired to defraud the United States, Albert B. Fall, Harry F. Sinclair and the Sinclair Pipe Line Company were not named as defendants in the suit because they are not inhabitants of the District of Delaware in which district the suit is brought.

The United States alleges that beginning about February 3, 1922, and continuing thereafter, the defendant Mammoth Oil Company, the defendant Sinclair Crude Oil Purchasing Company, together with Fall, Sinclair and the Sinclair Pipe Line Company, conspired to defraud the United States and more particularly (a) to defraud the United States of its property, consisting of royalty oil accruing, and to accrue, to it from its leases of lands in the Salt Creek oil field and the profits from the sale thereof, and (b) to defraud the United States of and concerning its governmental right to the honest and conscientious services of its officers and the faithful discharge of their duties and the administration of their public trusts and more specifically of its right to have the honest and faithful services of the Department of the Interior honestly conducted in its behalf by the Secretary of the Interior free from prejudice, chicanery or overreaching due to his personal and pecuniary interest in the success of any person or corporation endeavoring to secure contracts for sale or purchase of any kind or nature from the United States.

It is stated that each of the conspirators required a willful and deliberate violation by Fall of the laws of the United States and of the duties and obligations owed by him to the United States and of the trust and confidence reposed in him by it by virtue of his position as Secretary of the Interior. The bill then enumerates the various acts which were done in carrying out the purpose of the conspiracy. In its petition the United States alleges that it has been fraudulently deprived of its property consisting of not less than 20,000,000 barrels of crude oil delivered to the defendants under certain alleged contracts. The Government asks that the defendants account for all gains and profits received by them from the resale of the crude oil, that the contracts under which the oil was delivered to the defendants be cancelled and for other relief.

Seaboard Road Asks Right to Pledge Bonds

Authority Sought for Delivery Of \$1,364,000 Issue.

The Seaboard Air Line Railway, in an application to the Interstate Commerce Commission made public on December 31, asks authority for the authentication and delivery of \$1,364,000 of first and consolidated mortgage bonds, to be pledged as collateral for short-term notes.

The company asks authority for the edge of \$100,000 of first and North Carolina Railway first mortgage 6 per cent bonds due November 1, for the authentication and delivery of \$100,000 of Seaboard Air Line 4 per cent refunding mortgage bonds in respect to the cost of paying at maturity the Durham & North Carolina bonds, and for the authentication and delivery of \$100,000 of first and consolidated mortgage bonds against the deposit of the refunding mortgage bonds.

Supreme Court is Asked Not to Isolate Issue of Valuation in O'Fallon Case

Problem Is Inseparable With That of Rate Regulation, According to Brief.

In consideration of the so-called O'Fallon case, involving the valuation of railroad properties, the Supreme Court of the United States is asked not to isolate the valuation issue from the issue of rate regulation in a brief filed with the Court by Donald R. Richberg on behalf of the National Conference on Valuation of American Railroads.

The Court has set January 2, 1929, for the hearing of arguments in this case, No. 131, St. Louis & O'Fallon Railway Company and Manufacturers' Ry. Co. v. Commission v. St. Louis & O'Fallon Ry. Co. and Manufacturers' Ry. Co. Mr. Richberg was granted leave by the Court to file a brief in this case and to be heard in the argument. The full text of the summary of the argument presented in the brief follows:

Two Issues Declared To Be Inseparable. Part I.—The inseparable problem of rate regulation and value regulation. The valuation issue should not be isolated from the issue of rate regulation. If a public utility property can not be valued in such a manner as to insure reasonable rates, then the conceded power of rate regulation requires that the power to require reasonable rates comprehends the power to prevent unreasonable profits. To diminish profits, that might be made, is to diminish values, that might be obtained. Therefore, the process of rate regulation requires that the power of rate regulation shall be deprived of a part of its potential value.

2. Between the maximum property valuation, which would be the basis for, and the result of the highest feasible rates, and the minimum property valuation which would be the basis for, and the result of, the lowest feasible rates, lies the legislative field of rate regulation. The valuation of a public utility property within these limits, as a basis for rate making, is an exercise of the legislative power of rate regulation within the range of legislative discretion—and is not subject to judicial review.

3. In order to justify judicial invasion of the field of legislative discretion the carriers are seeking to isolate the valuation issue from the issue of rate regulation. They are asking the courts to give utility property a fixed value which compels the use of a judicial formula of valuation. All property values are the joint product of economic and political forces. They depend upon rights conferred and protected by laws. If judicial action establishes a public utility property value which cannot be changed by legislative action, the legislative power of rate regulation is destroyed.

"Value" and "Property" Subjected to Analysis. 4. A careful analysis of the legal and economic concepts of "property" and "value" will clarify the problem. (a) "Property" is the dominion over things possessed—a "bundle of rights"—which is conferred by law.

(b) The "value" of property is the "power to command a price" for things possessed, which depends upon the power which the owner can exercise over his possessions—that is, upon the "property" which has been conferred upon him by law.

(c) The "property" of a public utility owner is not an absolute dominion, but one qualified by the public service obligations, which he has assumed. Among these obligations is the duty to charge only "reasonable rates" for the use of the things which he has devoted to public service.

(d) Thus the "value" of his "property" is dependent upon the inescapable fact that his property (his "bundle of rights" conferred by law) includes only a limited "power to command a price." He can only command a price which the legislative power establishes as "reasonable." The power to establish "reasonable rates" necessarily includes the power to establish a "reasonable value" for the property used.

5. Therefore the legislative power of rate regulation must include the power of value regulation. If a law fixing a formula for the finding of value were written in the books, the result would be the absolute destruction of a vital, far-reaching legislative power, by the substitution of judicial authority for legislative authority in rate making.

6. The Supreme Court has consistently maintained: (a) that the rate making power is legislative; (b) that there is no formula for finding the value of a public utility property.

Part II.—The underlying issue in a valuation case. The underlying issue in a valuation case, as in any rate-regulation case, is the power of rate regulation. The authentication and delivery of \$100,000 of Seaboard Air Line 4 per cent refunding mortgage bonds in respect to the cost of paying at maturity the Durham & North Carolina bonds, and for the authentication and delivery of \$100,000 of first and consolidated mortgage bonds against the deposit of the refunding mortgage bonds.

What is a fair price for the public service rendered?

8. The sole question to be presented for judicial review is: Has a "monopoly price" or a "confiscatory price" been established?

8(a). A "monopoly price," as here defined, is one clearly exceeding any price obtainable by sellers under fair competitive conditions.

8(b). A "confiscatory price," as here defined, is one clearly less than any price obtainable by buyers under fair competitive conditions.

Part III.—The legislative standards for rate regulation and value regulation. 9. In its exercise of the legislative power of rate-making Congress, in the Interstate Commerce Act, has authorized and directed the Interstate Commerce Commission—

9(a) "To determine and prescribe what will be the just and reasonable" rates. (Sec. 15(1)).

9(b) "To establish or adjust such rates" so as to provide a "fair return upon aggregate value" of railway property. (Section 15a(2)).

9(c). "To enforce a trusteeship imposed upon every individual railroad" so that net income exceeding the "fair return" upon the value of its individual property. (Sec. 15a(6)).

9(d). "To determine the aggregate value through its individual valuations" "ascertained" through "its investigation under Section 19a," giving "due consideration to all the elements of value" recognized by the law of the land for rate-making purposes." (Sec. 15a(4)).

10. The legislative power thus provided no formula for fixing reasonable rates, but required its administrative agent to obtain a vast amount of information, to consider it and report it, so that the basis for its conclusions might be known. A mere reading of the Interstate Commerce Act will demonstrate the impossibility of establishing "reasonable rates" by any formula—or by the same token—the impossibility of establishing the "value" of railway property by any formula. "A reasonable judgment having its basis in a proper consideration of all relevant facts"—is clearly all that is possible. Such a judgment has been exercised by the Commission.

Decisive Issues In Case Reviewed. Part IV. The decisive issue in the present case.

11. This "reasonable judgment" has been based on the principle that competitive prices should be high enough to support generously the credit of carriers whose securities represent prudent investment, so that the existing facilities may be maintained efficiently and further investments may be induced—and not unreasonably higher than the prices which would have resulted if the public had undertaken to furnish the service or to compete fairly with private enterprise.

11(a). It would seem to be conclusive proof that rates have been fixed within the range of legislative discretion (between a monopoly price and a confiscatory price), if experience shows that the traffic continues to move in a reasonable volume and that additional investments continue to flow into the public service at reasonable rates of return.

11(b).—If rates or values established are attacked as "confiscatory" before an adequate experience has been had to demonstrate their effect, the Court is called upon to decide (upon the record) that the owners of the property involved would not have undertaken to furnish this service, and would not continue to furnish it, voluntarily, for the price which has been fixed.

12.—This reasonable judgment has been exercised within a "range of legislative discretion" by a "tribunal appointed by law and informed by experience," and the Supreme Court has held that it does not sit "as a board of revision to substitute one judgment for the judgment of the legislature, or of the Commission lawfully constituted by it, as to matters within the province of either."

Reproduction Cost No Measure of Value. 13. But, in the present case, the carriers are seeking to avoid all discussion of a fair price for the service by claiming that a property value exists independent of, and not to be affected by, their obligation to serve at a fair price.

14. The carriers contend that their property has a "true value" which is the economic equivalent of the property, "which value" must be determined "by giving 'dominant consideration' to a theoretical cost of reproduction at 'present prices.'"

15. No property has any "economic equivalent"—which is measured by reproduction cost or any other cost. Earning power—not cost—is the measure of value; as the Supreme Court has always held. Costs only furnish evidence of what would be a "fair price" for the service to recompense the seller for his outlays. Reproduction costs are only evidence of the highest possible prices—evidence of monopoly prices.

16. Through the device of claiming that an absolute value inheres in their possessions, the carriers are in fact asking the court to establish a formula for fixing the value of their property; and thereby to establish a formula for

Power Development At Cumberland Falls Is Approved in Brief

Retention of Scenic Beauty Of Area by Creation of State Park Is Advocated.

[Continued from Page 1.] illege of accepting a gift from one of her own sons (Senator DuPont) made solely to preserve nature's incalculable gift. "If this Commission had known the topographical and geographical features of that portion of southeastern Kentucky traversed by the Cumberland River, it could not hesitate to find that the public interest of the section—to say nothing of the rest of the State and of the country—demand the development and use at home of its great underlying coal deposits and, at the same time, the development of the immense tourist traffic that would be attracted to the public over two great highways stretching across the State in order to visit Cumberland Falls, if the Falls can be preserved from destruction to serve the interests of a power company coming into direct competition with the natural resources of that section.

Two Counties Said to Benefit. "If this Commission but knew the peculiar political situation in southeastern Kentucky, it would not be impressed in the slightest degree by the appearance at the hearing of a delegation from that section of the State to advocate the construction of the dam, as stated in the Merrill report, Whitley and McCreary Counties might profit by the taxes it is expected to bring into their local treasuries.

"It is just as true now as it was in the days of James Fitzjames that when Roderick Dhu sounds one blast upon his horn, there is an instant gathering of the clans in full force, ready from a sense of personal devotion to one man or one idea to resent the suggestion that any other part of the State or country should have a word to say about the development of the natural resources of the State for the benefit of all the people.

"We cannot believe—we do not believe—that this Commission will be influenced to turn over Cumberland Falls to any man or set of men for exploitation in private interests under the circumstances disclosed at the hearing and in the Merrill report."

Protestants listed in the brief include the American Civic Association; Camp Fire Club of America; Izaak Walton League of America; various clubs, organizations, groups of individuals and a number of newspapers in different parts of the country.

fixing rates; and thereby to take away from the legislative branch of the Government all substance of its constitutional power to fix rates in order that only a fair price shall be charged for public services.

17. The carriers are asking the court (actually but not candidly) to establish a flat value for all public utility properties at the amount of their theoretical reproduction cost—to substitute a judicial formula for legislative discretion—to transfer the legislative power of rate-making from the legislature to the courts; and by judicial action to establish monopoly values for these properties as the basis for a constitutional right to charge monopoly prices.

18. The contentions of the carriers are based on (1) a false economic concept of "value" which the court is asked to adopt against the protests of all authoritative economists; and (2) a false juristic concept of "property," which the court is asked to adopt in repudiation of its own opinions and the consensus of legal commentators.

19. It is respectfully submitted that in the present case the carriers have been deprived of any property right to charge a fair price for services rendered, or of any property value based on such property right; that the rates, the earning power and the resultant value of the property of the carriers were established by the legislative power of rate-making in a conservative exercise of the legislative power of rate regulation, well within the limits of the range of legislative discretion; all in conformity with the laws and the Constitution of the United States.

Operation of New Rates On Grain Is Suspended

By an order entered December 29 in Investigation and Suspension Docket No. 3217, the Interstate Commerce Commission suspended from December 31, 1928, until July 31, 1929, the operation of certain schedules as published in Supplement No. 11 to Agent J. E. Johanson's I. C. C. No. 2039.

The suspended schedules propose to increase the commodity rates on grain, grain products, and related articles, carloads, from K. C., M. & O. R. R. points in Oklahoma to Louisiana & Arkansas by, stations in Louisiana, when via Arkadelphia, Ark.

Collections of Debts Due the Government In 1928 Exceeded Total of Previous Year

Sums Received by the General Accounting Office Aggregated \$9,000,000, Mr. McCarl States.

Collection by the General Accounting Office of approximately \$9,000,000 of indebtedness due the United States was reported to Congress by the Comptroller General, J. R. McCarl, in his annual report. This represents an increase for 1928 over 1927 of \$1,517,615.05, the report stated.

A section of the report dealing with collections, delays in collections, and contributing factors, follows in full text: The aggregate amount of recorded indebtedness due to the United States collected through the General Accounting Office during 1928 was \$8,913,261.21; the amount referred by this office to the Department of Justice during the year for collection through suit was \$976,163.92; and the amount remaining of the records of the collections section of the claims division for collection action at the close of 1928 was \$288,807,453.32, comprising 30,603 delinquent.

This represents increases for 1928 over 1927 of \$1,517,615.05 in the amount collected; of \$316,722.68 in the amount referred for suit; of \$3,416,877.26 in the amount remaining for collection action; and of 8,716 in the number of remaining delinquent.

Delays in Collections. In many conceded indebtedness cases the debtors can pay the obligation in

U. S. Treasury Statement December 28, Made Public December 31, 1928.

Table with columns for Receipts, Expenditures, and Balance. Receipts include Customs receipts, Internal-revenue receipts, Income tax, etc. Expenditures include General expenditures, Interest on public debt, etc. Balance previous day is 276,741,294.62. Total ordinary receipts are 282,969,712.07. Total ordinary expenditures are 4,920,562.96. Other public debt expenditures are 1,965,438.20. Balance today is 276,063,710.91.

The accumulative figures, together with the comparative analysis of receipts and expenditures for the month and for the year, are published each Monday.

Loan Is Authorized To Construct Ship

Vessel to Operate Between New York and South America.

A loan to the Grace Steamship Company out of the \$250,000,000 construction loan fund, to aid in the building of a vessel for service between New York and the west coast of South America, was approved December 31 by the Shipping Board. The vessel, it was estimated at \$3,000,000, of which about \$2,250,000 would be borrowed from the fund at the current Government borrowing rate, under the terms of the Jones-White Act, which specifies that three-fourths of the cost of construction may be borrowed. The full text of the Board's statement follows:

Approval of a loan to the Grace Steamship Company in aid of constructing a vessel for the New York and west coast of South America service is announced by the Shipping Board. The loan will be in an amount not exceeding three-fourths of the cost of the construction of the vessel.

The vessel to be built for the Grace Line will be similar in general type to the Grace liner "Santa Maria," but somewhat longer and with turbo-electric drive instead of Diesel engines. Sea speed of the new ship is to be approximately 10 knots an hour. When completed the vessel will carry passengers and freight between New York and ports on the west coast of South America.

Financial Situation Is Good, Declares Secretary Mellon

[Continued from Page 1.] as to make a slump in activity and consequently in prices inevitable. In the industrial world, conditions seem to be on an even keel; and it is much better to have them so, with a slight upward tendency, as at present.

In the financial world, there is sufficient money available for all legitimate undertakings. A considerable amount of gold has been exported during the past year. But it has not seriously impaired our credit resources while, at the same time, it has helped to establish the gold standard more firmly in Europe and to stabilize foreign currencies with resulting benefits to our import and export trade.

In so far as the Government is concerned, the finances are in a sound condition. The debt has been reduced to manageable proportions; the revenues are ample for our needs; and during the past year there has been another reduction of taxes, the full benefit of which will be more generally felt during the coming year.

For all of the reasons, I look forward with confidence to continued progress in the year ahead.

small periodical amounts only, thus operating at times to extend into years the period for the collection of the indebtedness as a whole.

The suspension of active collection is necessary where judicial proceedings are pending and also where debtors apply to the Congress for relief.

The procedure of the claims and audit divisions, whereby future payments to Federal debtors under new undertakings are withheld and applied to their existing indebtedness to the United States, was enlarged upon during 1928, by requiring indebtedness to the United States arising out of failure to enter into or make delivery under contracts to be promptly reported and charged against future payments to them arising out of other transactions.

Procedure Prescribed. A procedure was prescribed during 1928 for the receipt and disposition of moneys received on regular or special deposit account by officers and employees of the United States in their official capacities.

The need for a procedure that would furnish both the administrative office and the General Accounting Office with a check on the receipts of fiscal officers had been apparent for some time. In General Regulations No. 40, issued February 20, 1925, the principle was stated that the interests of the Government require that responsibility for the receipt and proper disposition of moneys received should be fixed, and an accurate and complete record of the transactions be reflected in the accounts of an accountable officer.

While the procedure prescribed in the supplement to the said regulation is designed mainly for the large offices located in Washington, D. C., nevertheless it is applicable to the larger field offices, and, where similar conditions, volume of transactions, etc., render it desirable, it may be installed in such field offices. The procedure provides for a scheduling of remittances by the receiving officer, transmitting periodically the schedule of remittances to the fiscal officer, a monthly summation of the remittances received, and reconciliation with the administrative office and the fiscal officer.

In lieu of preparing individual letters of instruction to fiscal officers, as had been the practice theretofore, directing them to make refunds and deposits of special deposit moneys, there was substituted the schedule of transfers and refunds, and, as there may be listed on the form a maximum of 38 entries, a considerable saving in time and labor will result. The regulations also provide for the use of special refund vouchers (Standard Forms Nos. 1047 and 1049), on which may be briefly stated the essential facts of the transaction, and which will take the place of many varying forms in the several departments and establishments.

Foreign Exchange

New York, December 31.—The Federal Reserve Bank of New York today certified to the Secretary of the Treasury the following:

Table of foreign exchange rates for various countries including Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, England, Finland, Germany, Greece, Hungary, Netherlands, Norway, Poland, Rumania, Spain, Sweden, Switzerland, Yugoslavia, Hong Kong, China, India, Japan, Singapore, Canada, Cuba, Mexico, Argentina, Brazil, Chile, Uruguay, and Bar Silver.

Increase Recorded By Member Banks in Loans and Discounts

Weekly Statement of Federal Reserve Board Shows Decline in Net Demand Deposits.

The Federal Reserve Board's condition statement of 626 reporting member banks in leading cities as of December 26 shows an increase for the week of \$50,000,000 in loans and discounts, partly offset by a reduction of \$11,000,000 in investments, declines of \$57,000,000 in net demand deposits and of \$51,000,000 in Government deposits, and increases of \$20,000,000 in time deposits and of \$218,000,000 in borrowings at Federal reserve banks, it was stated December 31.

The full text of the statement follows: Loans on stocks and bonds, including U. S. Government obligations, were \$103,000,000 above the December 19 total at all reporting banks, an increase of \$108,000,000 at reporting banks in the New York district being partly offset by declines in most of the other districts. "All other" loans and discounts declined \$32,000,000 at reporting banks in the Chicago district, \$19,000,000 in the St. Louis district, \$12,000,000 in the Cleveland district, and \$53,000,000 at all reporting banks.

Declines in Securities. Holdings of U. S. Government securities declined \$8,000,000, and of other bonds, stocks, and securities \$3,000,000. Net demand deposits increased \$37,000,000 at reporting banks in the New York district, and declined \$54,000,000 at banks in the Chicago district, \$16,000,000 in the Boston district, \$10,000,000 in San Francisco district and \$57,000,000 at all reporting banks. Time deposits increased \$10,000,000 each in the New York and San Francisco districts and \$20,000,000 at all reporting banks.

The principal changes in borrowings at Federal reserve banks for the week were increases of \$157,000,000 at the Federal Reserve Bank of New York, \$25,000,000 at Boston, \$22,000,000 at Chicago, and \$15,000,000 at Cleveland, and a decline of \$10,000,000 at San Francisco. The tabulated statement of the principal resources and liabilities of all reporting member banks in each Federal Reserve District as of the close of business December 26, will be found at the bottom of this page.

Credit Restriction Urged To Prevent Speculation

[Continued from Page 1.] of a study he has made which has convinced him that at least 85 per cent of the money used for the purchase of stocks is involved in purchase on margins.

"Many of the State banks are also culpable," the Senator said, "but that is something the Federal Government cannot control."

He declared, however, that in his opinion if the Federal Government points the way by stopping the use of the Federal Reserve System to aid speculative transactions, the various State governments will follow suit.

Anaconda Special Memorandum on request. HORNBLOWER & WEEKS Established 1858. Boston, New York, Chicago, Cleveland, Detroit, Pittsburgh. Members of the New York, Boston, Chicago, Cleveland, Pittsburgh, Detroit, Stock Exchanges and The New York Curb Market Association.

Resources and Liabilities of the Federal Reserve Member Banks

Table showing resources and liabilities of Federal Reserve member banks as of December 31, 1928. Columns include Federal Reserve District, Loans and investments, Loans and discounts, Secured by U.S. Govt. oblig., Secured by stocks and bonds, Investments, U.S. Govt. securities, Other bonds, stocks and securities, Reserve with Federal Reserve Bank, Cash in vault, Net demand deposits, Government deposits, Due from banks, Due to banks, Borrowings from F. R. Bk., Secured by U.S. Govt. oblig., All other, and Number of reporting banks. Rows list various districts: Boston, New York, Phila., Cleve., Rich., Atlanta, Chicago, St. Louis, Minn., Kans. Cy., Dallas, San Fran.

Economic Reports. American Appraisals are frequently made to include economic reports setting forth not only the cost of reproduction and sound value of the physical property, but a complete survey of the business from every angle which will reveal the economic value of the enterprise as a whole. THE AMERICAN APPRAISAL COMPANY Washington—820 Albee Bldg. A NATIONAL ORGANIZATION

Patents

Piston Valves

Rulers

Trade Marks

Patent Is Issued For Visiting Card Divided by Groove

Two Panels Bearing Name And Monogram Respectively Adapted For Separate Use.

EX PARTE MATSON. APPEAL No. 805, BOARD OF APPEALS OF THE PATENT OFFICE. Patent No. 1696808 was issued December 25, 1928, to Donald F. Matson for Improvement in Cards on application No. 137719, filed September 25, 1926.

Claims 1, 2, 3 and 7, covering a visiting card composed of two panels, one adapted to receive a name and the other a monogram, and so arranged that by severing a portion of the card...

Claims 4, 5 and 6, drawn rather broadly to card panels formed by spaced endless grooves, were found anticipated in prior art.

George F. Kimmel for the applicant. The full text of the decision of the Board of Appeals (First Assistant Commissioner Kinnam, Examiners-in-Chief Henry and Landers) follows:

This is an appeal from a final rejection of claims 1 to 7, inclusive. Claims 1 and 4 are reproduced as typical of the appealed claims.

"1. A visiting card comprising a rectangular body portion provided with means to constitute the name of an individual and a monogram, said monogram spaced a substantial distance from the name of the individual, said body portion further formed with opposed, spaced depressed parts to provide a pair of panels and a border of uniform thickness throughout extending entirely around each of the panels, one of the panels carrying said monogram and the other said name, a part of said body portion being formed with a border of uniform width throughout and extending entirely around one of said panels on the severance of said body portion transversely at one of the edges of the opposed edges of said depressed parts."

"4. A card comprising a body portion, said body portion being formed in one of its faces with a pair of spaced, opposed grooves, the part of the said face of said body portion surrounded by each of said grooves providing a panel for the reception of matter to be impressed thereon."

References Cited. The reference relied upon in the rejection of the appealed claims is: Loomis, 255,641, March 28, 1882.

The thing claimed is a visiting card having two panels, one adapted to receive a name and the other a monogram. The card is primarily intended for use by students and the monogram may be that of the school attended by the student. The panels may be formed by embossing separate portions of the card or they may be formed by spaced endless grooves as shown in Fig. 1 of the drawing.

Surrounding both panels is a border of uniform width and between the panels is a transverse space or border of width and between the panels is a transverse space or border of width equal to the border surrounding the panels. The card including the name portion and the monogram may be used as a unit, or the name portion may be used or the monogram portion only may be used.

When it is desired to use the name portion only of the card, the card is severed transversely at the left hand edge of the transverse space or border thus producing a card containing name with a border of uniform width on all sides as shown in Fig. 5 of the drawing. When the monogram portion of the card is to be used, the card is severed transversely along a line at the right hand edge of the transverse space or border thereby producing a monogram card having a uniform border on all sides as shown in Fig. 4 of the drawing.

Loomis Patent Not Applicable. The Loomis patent relied on in the rejection of the appealed claims is for a bank check adapted to prevent forgery, raising, or the fraudulent collecting of the check. To carry out the noted purposes the check is formed in two portions separated by parallel transverse lines and the check may be torn apart in the space between the lines. Properly speaking the check has no panels and no continuous border.

When the check is torn transversely the sections have no separate utility since each section is essential to the proper payment of the check. It is suggested in the statement on appeal that the check might be severed on either transverse line but in that case the right hand portion or end of the check would have no uniform border.

Moreover, the suggested mode of operation is contrary to the described theory of operation of the Loomis invention, for the specification states that the ragged edges formed by tearing the check form a means for identifying the two parts of the check.

We think the Loomis patent is not a good reference for the appealed claims because the inventive concept is lacking

Infringement Claim Is Denied on Grounds Values Were Produced Prior to Reissue Defendant Held to Have Continued Merely in Manufacture and Sale of Pump Device.

MATTHIAS CHRISTMAN V. NEW YORK AIR BRAKE COMPANY. DISTRICT COURT FOR THE NORTHERN DISTRICT OF NEW YORK.

The complaint against defendant for infringement of claims 1 and 5 of Reissue Patent 13272 was dismissed upon a finding that defendant had merely continued in the manufacture and sale of the device which it entered upon long before the reissue.

The evidence shows that original Patent 904839, for a reversing piston valve, did not include claims of sufficient breadth to cover defendant's structure, and as a consequence the reissue with broadened claims was applied for and obtained.

Wilson & Hennessey, and William D. Tatlow, attorneys for plaintiff. Charles Neave and William G. McKnight, counsel for defendant.

The full text of the opinion of the court, delivered by Judge Bryant, follows:

This action was brought in equity for an alleged infringement of claims 1 and 5 of Reissue Patent 13272, granted to Christman and Johnson in July, 1911, for a piston valve.

The action was tried before the late Judge Ray and submitted a short time prior to his death. After his death, through some inadvertence, the papers, including evidence, briefs, etc., were shipped from his chambers and filed in the clerk's office and were not brought to the attention of the court for several years thereafter. This incident is regretted because it has long delayed decision in the case.

Application Made For Reissue of Patent. On October 31, 1907, Matthias Christman and Edward Johnson filed application for a patent on piston valves for air pumps and Patent No. 904839 was issued on November 24, 1908. At the time of the commencement of this action the patentees had not engaged in the business of manufacturing the devices covered by the patent and no licenses had been granted thereunder. The patentees, soon after the obtaining of the patent, offered the same for sale, to defendant among others. Correspondence, covering quite some period, passed between the parties and resulted in the patentees shipping their device to defendant for examination. The device was returned and the negotiations for purchase and sale were ended.

Soon thereafter the patentees made claim that defendant was manufacturing and selling air pumps which infringed upon their patent. This defendant denied, and the patentees, after investigation, seem to have conceded that the device used by defendant was not an infringement upon their patent. Immediately or soon after the discovery of this fact they made application for a reissue of the patent. The original patent contained three claims and three others covered these three claims and three others. The reissue patent was granted on July, 1911, and the interest of Johnson was soon thereafter assigned to plaintiff. This action, based upon alleged infringement of claims 1 and 5 thereof was commenced in August, 1917. The bill asks for injunctive relief and an accounting of pumps sold by defendant since July, 1911.

Use of Piston Valves Not Novel or New. The subject matter of the original patent is a reversing piston valve and "relates to improvements in valves for air and liquid pumps, the object of which is to provide a reversing piston valve that will be steam tight, durable and easily operated." A study of the prior art shows that piston valves had been in use for a long number of years prior to the time of the filing of the application by Christman and Johnson. Their use was not novel or new. They were used for the distribution of steam in all kinds of engines using or having high steam pressure.

and structural limitations contained in the claims would not be responded to even if the suggested severing procedure were followed.

Claims 1, 2, 3 and 7 include in some form or other the transverse space or margin between the name portion and the monogram portion of the card whereby by transverse severing of the card on a selected line will produce either a visiting card or a monogram card with a border of uniform width surrounding the card. This is not suggested in the reference and claims 1, 2, 3 and 7 may be allowed.

No Novelty in Panels. Claims 4, 5 and 6 are drawn rather broadly to panels formed by spaced endless grooves. The limitation to the transverse space or margin included in claims 1, 2, 3 and 7 is not found in claims 4, 5 and 6.

While the claims of the last noted group are not met by the Loomis patent, it is our view that since it is old to form panels in cards by continuous grooves, there is nothing inventive but rather mere duplication in forming a plurality of panels in a card in the manner just stated. As instances of the formation of panels by endless grooves, reference may be had to the Persons patent, No. 1548096, granted Aug. 4, 1925, and Design patent to Kelsey No. 18025, Jan. 24, 1888.

The decision of the examiner is reversed. Our citation and discussion of the Persons and Kelsey patents may be taken as a rejection of claims 4, 5, and 6 on a new ground as provided in Rule 139.

sure, while with low or moderate steam pressure the slide valve more generally was in use.

The fact that piston valves were not new and that their uses in connection with steam engines were not novel leads to the conclusion that the original patent of Christman and Johnson cannot be considered in any sense a basic patent, but is at most simply an improvement upon the art and devices known and used and the patent must be confined strictly to the form and uses stated in the specifications. This construction seems to be in accord with the patentees' views. Evidently they did not consider the original patent entitled to a construction broad enough to cover defendant.

They sought to protect the use of the valve by a reissue.

At about the time Christman and Johnson obtained their patent the defendant commenced applying piston valves to its pumps. There is some discrepancy in the development of this device was adopted by the defendant prior to the date of the original patent of Christman and Johnson or subsequent thereto. This does not seem to be important because, after careful comparison, the device as used by the defendant cannot be considered an improvement upon the alleged original patent of Christman and Johnson.

This conclusion is not questioned by the patentees. They do claim, however, that it is an infringement of the reissue. The evidence shows that in 1908, at a time prior to the issue of the original patent, defendant substituted piston valves for the slide valves then being used in its air pumps. In June, 1908, engineering tests of these pumps were made. These five pumps were given a further test in September, 1908, and after proof of operating properly were assigned serial numbers, and on November 19, 1908, were sent and shipped to American Locomotive Company of Schenectady, N. Y. This sale was prior to the grant of the original patent.

Claim of Infringement Is Not Allowed. The construction of these pumps, made prior to the issuance of the original patent, is shown to be identical with the pumps charged to infringe the reissue. Between the date of the original patent and the application for the reissue the defendant made and sold some nineteen hundred of these pumps. Therefore, the record clearly establishes that defendant did in fact make and sell from the date of the issuance of the original patent to the time of application for the reissue, large numbers of pumps of a design not covered by the claims of the original patent but claimed to be covered by the reissue. This action on the part of the defendant seems to place squarely within the authority of Auto Piano Company v. American Player Action Company, 222 Federal 276, Under the authority of last cited case, Ashley et al. v. Tatum Co., 240 Federal 979, and similar cases, complainant cannot be allowed to claim infringement of defendant in continuing the manufacture and sale which it entered upon long before the reissue.

Having reached the above decision, it is not necessary, considering the dates of issue of the patent and reissue patent, to pass upon their validity. Defendant may have judgment of dismissal with costs. December 14, 1928.

Dough-Mixing Device Held to Be Patentable

Claim Involving Assembly Found to Lack Novelty.

EX PARTE KIRCHHOFF. APPEAL No. 823, BOARD OF APPEALS OF THE PATENT OFFICE.

Reissue Patent 17169 was issued December 25, 1928, to William G. Kirchhoff for a Dough Mixer, on application No. 703284, filed March 31, 1924.

Claim 11 was held unpatentable on the ground that it does not involve invention to mount two or more elements on one framework for convenience in handling and shipping. The Examiner's rejection was sustained.

Murray & Zogel for applicant. The full text of the opinion of the Board of Appeals (Assistant Commissioner Moore, Examiners-in-Chief Henry and Redrow) follows:

This is an appeal from the rejection of the following claim:

"11. In a device of the class described, the combination of a frame, a dough mixer on the frame, a flour hopper carried by the frame above the mixer and adapted to discharge into the mixer, and means for weighing the contents of the hopper."

The reference relied upon is: Wolff, 97,181, Oct. 4, 1912.

This application relates to a piece of apparatus to be used in bakeries for weighing and mixing the ingredients for preparing dough. The claim here in question involves the mixer comprising the elements a, b, etc., the flour hopper C above the mixer with attached scales for weighing up a desired quantity of flour in the hopper to be discharged into the mixer and a frame which supports these elements as a unitary device.

In the reference we find a mixer positioned on the floor of a room and a hopper with attached scales suspended from the ceiling of the room above it. The only question presented is whether patentable novelty is involved in arranging the mixer and hopper on a

Registration Granted Of Mark 'Blue End' For Use on Rulers

Designation Is Found to Be Dissimilar to 'Red End' Used on Goods of Same Character.

LUFKIN RULE CO. V. MASTER RULE MANUFACTURING CO., INC. FIRST ASSISTANT COMMISSIONER OF PATENTS.

The notation "Blue End" as a trade mark for folding rulers with the ends of the rule sections painted blue, was held to be registrable over opposer's mark "Red End", applied to folding rulers with the ends of the sections painted red, it being stated that color alone is not sufficient to constitute a trade mark, and that there would not be likelihood of confusion as to origin between the two marks in question.

George B. Willcox and Charles R. Allen for Lufkin Rule Company. Fred Francis Weiss for Master Rule Manufacturing Company.

Opposition Was Dismissed. The full text of the opinion of First Assistant Commissioner Kinnam follows: This case comes on for review, on appeal of the opposer, Lufkin Rule Co., of the decision of the examiner in trade mark registration proceedings, the opposition and adjudging the applicant, Master Rule Mfg. Co., Inc., entitled to the registration for which the latter has applied. The opposer has taken testimony but the applicant has not, briefs being filed by both parties, who were heard presented at the hearing on the appeal.

The applicant seeks registration of the notation "Blue End," accompanied by the coloring of the ends of the sections of rules with a blue color. The mark, as indicated, is used as a trade mark for rules, folding rulers and extension rules. The opposer claims prior adoption and use of the notation "Red End," accompanied by the coloring of the ends of the sections of the rules a red color, the mark being used, as indicated, upon folding rules. The opposer claims ownership of registrations No. 224093 and 212178, the former showing the ends of the sections of a folding rule colored red, while the latter is for the notation "Red End," applied likewise to folding rules.

Products Are Similar. Since the goods upon which both parties use the mark are identical in character and since the evidence shows the opposer to be the first to adopt and use its mark upon its goods, the question here to be reviewed is restricted to the similarity of the marks.

There is no evidence the opposer has ever used the color adopted by the applicant and indicated in its notation "Blue End." Likewise, there is no suggestion that the applicant has used any color other than blue in connection with its goods and the notation placed upon the goods is not confusingly similar, it rests upon the ground that one familiar with the opposer's goods, with the red ends and the notation used upon them, would be likely to purchase by mistake the goods of the applicant for those of the opposer. It is true the marks are not confusingly similar, but trade marks upon the goods of the respective parties side by side would not rely upon recollection, if familiar with the opposer's goods.

Color Alone is Insufficient. It must be held satisfactorily settled that a color alone does not constitute a valid trade mark. Turner & Seymour Mfg. Co. v. A. & J. Mfg. Co. et al., C. C. of App., 2d Cir., 20 F. (2d) 298; In re Johns-Manville, Inc., 2 F. (2d) 944; Gotham Silk Hosiery Co., Inc., 20 F. (2d) 292; California Packing Corporation v. Broderick & Sons Rope Company v. Broderick & Bascom Rope Company, 201 U. S. 166.

It must be deemed that even if the opposer were the first to color the ends of rules of the character here being considered, such color could not be granted, such opposer could not be granted the breadth of protection that would exclude all others from subsequently using any color, however different from that used by the opposer, upon the same class of goods.

It is so common to color various goods that a color alone is not considered to note the contrasting colors employed and it would seem the distinctive color adopted by the applicant would be considered by purchasers as in sharp contrast to the color adopted by the opposer. It is deemed there is substantially no probability of confusion of origin if both marks appeared upon the goods in the same markets.

The decision of the examiner of trade marks dismissing the opposition and adjudging the applicant entitled to the registration for which it has applied is affirmed. December 20, 1928.

common frame rather than on the floor and ceiling respectively. Several possible advantages are pointed out as a result of this arrangement. It is alleged the device can be assembled, tested, shipped and installed as a unitary machine and likewise moved as such instead of sections. It is noted that this applies to the hopper scales and mixer in applicant's apparatus but does not include the receiving hopper and conveyor 423, so that this point does not apply to the whole device as shown although it does to the part claimed in this claim.

It is clear that the above advantages may apply, but we are unable to agree that invention is involved. The several attachments of this apparatus are independent of each other and it becomes

Index and Digest Of Latest Federal Court Decisions

SYLLABI are printed so that they can be cut out and pasted on Standard Library-Index and File Cards, approximately 3 by 5 inches, usually employed in libraries and filed for reference.

PATENTS: Reference: Copending Patent: Cement—Applicant's patent which was concurrently pending with the application under rejection, held: Available as reference, notwithstanding division may have been required, as the office in requiring division does not assume patentability of either invention and is not precluded from rejecting the application on the subsequently issued patent. Patent 1696837, Claims 1, 2, 3 and 5—Ex parte Ellis. (Examiners-in-Chief, Patent Office.)—Yearly Index Page 2676, Col. 5 (Volume XIII).

PATENTS: Anticipation: Copending Patent Claims: Taken in Connection With Prior Art: Rubber Cement.—Claims 1, 2, 3 and 5 of Patent 1696837, depending for their novelty upon the use of the chlorinated rubber set forth in claim 7 of applicant's copending patent 1544530, as an adhesive, held: Unpatentable, the prior art showing the use of rubber cements to be old.—Ex parte Ellis. (Examiners-in-Chief, Patent Office.)—Yearly Index Page 2676, Col. 5 (Volume XIII).

PATENTS: Invention: Name and Monogram Card.—Where claims 1, 2, 3 and 7 covered a visiting card composed of two panels, one adapted to receive a name and the other a monogram, and so arranged that by severing a portion of the card at one edge or the other, on a selected line, a monogram card or a name card could be obtained having a uniform border on all sides, held: Claims allowable over bank check made in two portions and separated by transverse parallel lines, it appearing that the sections of the check were not adapted to have separate utility, and a uniform border was not provided.—Patent 1696808.—Ex parte Matson. (Board of Appeals, Patent Office.)—Yearly Index Page 2676, Col. 1 (Volume XIII).

PATENTS: Infringement: Piston Valve.—Where defendant made and used a reversing piston valve which was found not to infringe original Patent 904839, and continued to use the same device while reissue 13272, with broadened claims 1 and 5, was obtained; and suit was brought for infringement of these claims, held: Suit dismissed, since claim for infringement cannot be allowed where defendant continued to manufacture and use the device long before the reissue.—Christman v. New York Air Brake Company. (District Court for the Northern District of New York, 1928.)—Yearly Index Page 2676, Col. 2 (Volume XIII).

PATENTS: Invention: Assembly of Elements on Common Support.—Where claim 11, Reissue Patent 17169, was directed primarily to the feature of arranging the dough mixer and hopper on a common frame rather than on the floor and ceiling respectively, held: Claims unpatentable, it being merely a matter of choice to mount two or more elements on a frame for convenience in handling and shipping.—Ex parte Kirchhoff. (Board of Appeals, Patent Office.)—Yearly Index Page 2676, Col. 3 (Volume XIII).

TRADE MARKS: Descriptive Notations: "Silver Steel."—Where applicant sought registration of the notation "Silver Steel" as a trade mark for steel saws made with a small proportion of silver, held: The notation is descriptive of the goods.—Ex parte E. C. Atkins & Company. (First Assistant Commissioner of Patents, 1928.)—Yearly Index Page 2676, Col. 7 (Volume XIII).

TRADE MARKS: Notations Registrable: Act of February 20, 1905: "Silver Steel."—Where the mark "Silver Steel" has been registered for use on files and used for many years, and these goods were considered to be of the same descriptive properties as saws for which applicant sought registration of the mark, held: Mark registrable as coming within the Act of February 20, 1905, and the Act of March 19, 1920, permitting the extension of a mark registered under the 10-year clause of the latter Act to include goods upon which said mark has subsequently been used.—Ex parte E. C. Atkins & Company. (First Assistant Commissioner of Patents, 1928.)—Yearly Index Page 2676, Col. 7 (Volume XIII).

TRADE MARKS: Confusing Similarity: "Blue End": "Red End."—Where applicant sought registration of the notation "Blue End" as a trade mark for folding rulers having the ends of the sections painted blue; and opposer owned the mark "Red End" applied to folding rulers having the ends of the sections painted red, held: Applicant's mark is registrable, the marks not being confusingly similar, and color alone not being the basis of a trade mark.—Lufkin Rule Co. v. Master Rule Mfg. Co., Inc. (First Assistant Commissioner of Patents, 1928.)—Yearly Index Page 2676, Col. 4 (Volume XIII).

Four Claims for Improvement in Cement Are Rejected as Being Old in Industry

Examiners-in-Chief Holds That Co-Pending Issues Are Available as References to Prior Art.

EX PARTE ELLIS. APPEAL No. 107, EXAMINERS IN CHIEF, PATENT OFFICE.

Patent No. 1695537 was issued December 18, 1928, to Carleton Ellis for an Improvement in Cement, on application No. 701020, filed March 22, 1924.

Applicant's copending patents 1544529 and 1544530 were held to be available as references, notwithstanding the fact that the latter patent is not in issue, and is not included thereafter from rejecting claims divided out of an application for lack of invention over the claims retained and which later issue in a patent.

Claims 1, 2, 3 and 5, depending for their novelty on the use of the chlorinated rubber covered by claim 7 of applicant's patent 1544530, as an adhesive, were stated to be unpatentable since the prior art showed rubber cements to be old.

Frederick S. Duncan and Arthur B. Foster, attorneys for appellant. The full text of the decision of the Examiners-in-Chief (Henry and Ide) follows: This is an appeal from a final rejection of Claims 1, 2, 3, and 5. Claims 10 and 11 have also been presented for consideration on the appeal. Claims 1 and 3 are reproduced for illustrative purposes:

"1. A composition of matter comprising a solution of a chlorinated rubber, the latter containing not substantially below 67 per cent of combined chlorine and a solvent therefor, the chlorinated rubber being present in amount not substantially below 20 per cent, such composition being adapted for use as an adhesive."

"3. In the process of joining bodies the step which comprises applying between said bodies a layer of an adhesive composition comprising as its essential constituent chlorinated rubber."

The references cited are: Peachey, 1234381, July 24, 1917; Ellis, 1544529, June 30, 1925; Ellis, 1544530, June 30, 1925.

The thing claimed in Claims 1, 2, and 5 is a composition of matter employed as an adhesive. The basic material employed is chlorinated rubber, there being not less than 67 per cent of combined chlorine in the composition. Claims 1, 2, and 5 include a solvent, and Claims 1 and 5 refer to proportions of the chlorinated rubber in the solution.

Claim 3 is for a process of joining bodies. The alleged novelty of the process resides in the employment of chlorinated rubber as the essential constituent of the adhesive composition employed. Claims 10 and 11 are for the "use" of a chlorinated rubber solution as an adhesive.

Of the references cited by the examiner in the statement on appeal applicant's prior patents, No. 1544529 and No. 1544530, are mainly relied on in the rejection of the appealed claims. Both patents were granted on applications pending concurrently with the instant application. In fact the instant application is a continuation in part of the application for the instant invention.

It is a matter of choice as to which of the marks may be grouped together on one frame. Wolff shows several elements of the blending hopper 3, dry mixing and sifting devices and conveyor 25, apparently grouped as a unitary device Lauterbur, of record, shows another grouping. At the right in Fig. 2 of applicant's patent is shown a dry mixing hopper, scales and conveyor as a unitary device and at the left the kneader, mixer and sieve, as another. His complete machine is therefore capable of being assembled, tested and handled in two unitary sections separable at 39. It is clearly not a patentable difference to select and mount any two or more of the elements together rather than some other group and mount them as a unitary group.

We believe it to be clear in this case that it does not rise to the dignity of invention to observe that two or more of the elements may be mounted on one framework. We see no mechanical problem involved in so doing. Convenience of handling or shipping is possible but does not serve to support patentability where the mechanical function of the elements is not improved. We are unable to agree with the contention that it necessarily makes a better mechanically arranged apparatus. The scales need not stand out as an obstruction and the conveyor need not be as high as shown by Wolff. These are purely matters of choice.

The rejection of the claim is considered warranted and is affirmed.

Mark 'Silver Steel' For Saws Is Allowed Although Descriptive

Applicant Had Previously Registered Notation for Files and Examiner Is Reversed.

EX PARTE E. C. ATKINS & COMPANY. FIRST ASSISTANT COMMISSIONER OF PATENTS.

The notation "Silver Steel" was found to be descriptive of the goods to which it was applied, as a mark for saws, but was held to be registrable owing to applicant's prior registrations of the same mark as applied to files, goods of the same descriptive properties.

The opinion states that while these prior registrations were not obtained under the provisions of the 10-year clause of the Act of February 20, 1905, or under the amendment by the Act of March 19, 1920, permitting the extension of a mark registered under the 10-year clause of the Act of 1905, yet the facts presented bring this case within the spirit of those two acts.

Hood & Hahn for applicant. The full text of the opinion of First Assistant Commissioner Kinnam follows: Applicant has appealed from the decision of the examiner of trade marks denying registration of the notation "Silver Steel" used upon files. The examiner has held these words descriptive of the material of which the file is made and has relied upon the holding of a former Commissioner in connection with a previous application by the present applicant for registration of the same words for use upon saws, 27 M. S. D. 163, Newton's Digest, page 40, affirming a holding of the examiner in that case that the words were descriptive of the goods.

In that previously decided case the Commissioner found, as shown by English patent No. 1863 of 1861, that silver had been mixed with iron in the production of steel and that an alloy of silver and steel had been made as early as 1882 by Faraday and Stoddard, which was widely used by the cutlers of Sheffield in the making of fine razors, surgical instruments, etc. The proportion of silver was small and the terms "silver steel" had been generally employed to designate these finer grades of steel. In the New Standard Dictionary, Funk & Wagnalls Company, 1926, silver steel is referred to as "an alloy of steel with a small quantity of silver." In view of these facts it must be deemed proper to hold that the notation sought to be registered as a trade mark is descriptive of a character or quality of the goods.

Registration, in consequence, should be denied without more were it not for the fact that the applicant may be said to have fairly established a prima facie case of use of the mark on saws as early as 1875. Applicant obtained registration No. 2636 issued July 8, 1875, for the mark "Silver Steel" used upon saws and again obtained registration No. 17666, issued March 18, 1890, for the same mark upon the same class of goods, namely, saws. Finally, January 2, 1906, applicant obtained registration No. 48463 for such notation upon the same class of goods. This last mentioned registration has been renewed.

These registrations would indicate that the officials of the Patent Office have repeatedly ruled such notation registrable as a trade mark used upon saws. Files are deemed goods of the same descriptive properties as saws, both operating by cutting the material worked upon, the difference being somewhat one of degree. Under these circumstances, it is thought the registration applied for should be granted.

Examiner Is Reversed. While the prior registrations obtained by the applicant were not secured under the provisions of the 10-year clause of the Act of February 20, 1905, and while the instant application is not made under the amendment by the Act of March 19, 1920, to the Act of February 20, 1905, permitting the extension of a mark registered under the 10-year clause of the latter Act to include goods upon which said mark has subsequently been used, yet the facts presented in the instant case bring it within the spirit of these two acts and it is believed the applicant should be permitted to register upon saws from a period long preceding 10 years prior to the Act of February 20, 1905.

The decision of the examiner is reversed. December 19, 1928.

The United States Daily in New York

THE UNITED STATES DAILY is delivered to any of the leading New York Hotels, upon request, by The Longacre Newspaper Delivery. Give your order to the mail clerk of your hotel or telephone Longacre 4649.

Monthly Statements of Railroad Revenues and Expenses

Table with columns for Railroad Name (Pennsylvania R. R., Cleveland, Cincinnati, Chicago & St. Louis Ry., Long Island R. R.), and rows for various revenue and expense categories (Freight revenue, Passenger revenue, etc.) for the years 1927 and 1928.

SUBSCRIPTION COUPON

Subscription coupon form with fields for Name, Position, Firm or Organization, Type of Business, Street Address, City and State, and a section for the subscriber to fill out for the publisher.

Bright Outlook for 1929 in Business And Trade Foreseen by Dr. Julius Klein Record Volume of Production and Commerce of Recent Months to Be Continued During Coming Year.

food, building materials, metals, and fuel and lighting, slightly more than offset declines in prices of other groups of commodities. Wages continue at a high level, and the unemployment which was noted in the early part of 1928 has been reduced to a minimum. Factory employment was increased for the first time in a number of years; gains were particularly noteworthy in the automobile, rubber tire, iron and steel, petroleum, and nonferrous metal industries.

Automobile Output Recorded Large Gain The great increase in production and sales of automobiles during the past year has had far-reaching effects on many other lines of domestic business. The automobile has been the chief factor in the expansion of our export trade. A total of over four and one-quarter million passenger cars and trucks were produced in 1928, which was about one-fourth more than in 1927. It is an indication of the yet unsatisfied demand for automobiles, the vehicle both in this country and abroad. There were also marked increases in output of rubber tires, gasoline, steel sheets, and many other industries which sell their products to automobile manufacturers or car owners.

Export Growth Shown By Semi-Manufactures Exports to Asia showed an even greater growth, amounting to about 12 per cent, as a consequence of largely increased shipments to China, Japan, and the Philippine Islands. Exports to China were about one-half again as large as in 1927, owing to a marked expansion of sales of illuminating oil, leaf tobacco, cigarettes, and many other manufactured products as a result of improved conditions in that country.

Textile Industries Showed Recovery Although the textile industries as a whole have failed to share in the widespread prosperity during the greater part of the year, signs of increasing activity became evident toward the close of the year. Prices of textile products showed a moderate recovery, and consumption of both cotton and wool declined as compared with 1927. Silk mills, on the other hand, were somewhat more active.

Demand for Manufactures Increased in Africa Demand for American manufactures continues to increase in Africa and has caused a steady expansion of our trade with that continent. Exports to Oceania which also consist largely of fabricated goods have, on the other hand, been declining as a result of smaller sales to Australia which has suffered a reduction of buying power owing to the relatively low price of some of its staple products.

World-wide improvement of business conditions in recent years is indicated by steady expansion in the exports of other nations which has rather closely paralleled the growth of our own trade. The combined figures of 10 leading European countries for the first nine months of 1928 show an increase of 5 per cent in value of exports as compared with the corresponding period of 1927. The fact that this expansion is relatively greater than that of the exports of the United States is evidence of the further economic recovery of Europe. Of the 10 countries, only Sweden and Finland had smaller exports than in 1927. Germany's trade showed an especially marked growth.

Exports of countries outside of Europe reached about the same aggregate value as in 1927. Canadian exports in the first nine months of 1928 were 6 per cent larger in value than a year earlier, while the total value of exports of four important Atlantic countries increased by 3 per cent, chiefly as a result of the decrease in price of rubber and silk.

The total value of our exports of merchandise increased about 3 per cent in 1928 and was larger than in any of the seven preceding years. As the average prices of commodities exported were unchanged, the change in value of the trade measures quite accurately the change in its physical volume. Exports of wholly and partly finished manufactures comprised about three-fifths of the total trade (two as large a proportion as in 1926-1927). The value of exports of this type of merchandise is determined very largely by the extent and effectiveness of our sales efforts. The further substantial growth of our exports of these fabricated products in 1928 indicates once again our ability to compete successfully with other industrial nations.

Exports of finished manufactures have been steadily expanding for six years and in 1928 were about 70 per cent higher in value than in 1922. The most marked growth during the past year occurred in the exports of automobile products which reached a total value of about \$600,000,000 (according to 10 months' figures) and were about one-fourth larger than in 1927, the best previous year. During the past six years the value of our automotive exports has increased by about \$300,000,000 or more than 150 per cent. The purchasing power and standard of living of other nations shows further improvement; it is probable that there will be yet greater demands from abroad for American automobiles. Marked gains have also occurred in recent years

Topical Survey of the Government

THIS vast organization has never been studied in detail as one piece of administrative mechanism. No comprehensive effort has been made to list its multifarious activities or to group them in such a way as to present a clear picture of what the Government is doing. THE people of the United States are not jealous of the amount their Government costs, if they are to be able to understand and use the money being spent for objects which they approve, and that it is being applied with good business sense and management. MAKING a daily topical survey of all the bureaus of the National Government, grouping related activities, and presenting them to the citizens to understand and use the facilities the Congress provides for them. Such a survey will be useful to schools, colleges, business and professions here and abroad.

Claims Based on Losses to Americans in Mexico Are Considered by International Commission

Topic 38—Claims Twenty-Fourth Article—Activities of Claims Commissions

In these articles presenting a Topical Survey of the Government are shown the principal contacts of the various bureaus and divisions. The present series deals with Claims.

By C. L. Bouve, Agent of United States, the General and Special Claims Commission, United States and Mexico.

THE General Claims Commission, United States and Mexico, held its first meeting on August 30, 1924, for the purpose of organizing the work of the Commission. It was terminated on August 31, 1927. The Commission held its last meeting, under the treaty of September 8, 1923, on the 23rd day of July, 1927.

The Extension Convention of August 16, 1927: At an early date in the history of the General Claims Commission, it became obvious to the Foreign Offices of both Governments that it would be impossible for the Commission, even approximately, to fulfill the task imposed upon it by the treaty within the three-year period within which it was to operate. Negotiations were therefore opened looking toward an extension of the three-year treaty period.

On August 16, 1927, the two Governments agreed to extend the life of the General Claims Commission for two years more, that is, until August 30, 1929. The office of Joint Secretariat of the General Claims Commission was, under its rules, located in Washington.

SHORTLY after the extension convention of August 16, 1927, or in the month of September, the Mexican Secretary was withdrawn from Washington to Mexico City. On August 30, 1927, the neutral Presiding Commissioner resigned. Under the terms of the treaty, in view of the fact that the United States and Mexico could not agree as to his successor, the appointment of a new Presiding Commissioner was left to the president of the Permanent Administrative Council of the Permanent Court of Arbitration at The Hague.

It was not until June 16, 1928, that a new Presiding Commissioner, Dr. Kristian Sindballe of Denmark, was appointed. His appointment constituted an innovation upon previous practice under the treaties inasmuch as, up to the date of this appointment, different neutral commissioners had presided over the Commissions. Dr. Sindballe was appointed over the Commission for both the General and Special Claims Commissions.

THE Session in Mexico City of September 7, 1928: While all the hearings of the General Claims Commission had at the time of Dr. Sindballe's appointment been held in Washington, the United States, at the urgent solicitation of the Mexican Government, agreed that certain cases on the trial calendar of the General Claims Commission should come up for hearing at Mexico City on September 7, 1928.

The General Claims Commission met at Mexico City on the date agreed upon, conducted its hearings, and, on the 18th day of October, adjourned to resume its hearings at Washington on February 18, 1929.

During the period which had elapsed between August 30, 1927, and the date of the adjournment of the General Claims Commission at Mexico City on October 18, 1928, the absence of one of the Secretaries from Washington made joint action by both Secretaries in the way of accepting memorials, pleadings, briefs or other documents impracticable.

By an order issued by the Commission on the occasion of the last hearing of the Commission at Mexico City, this situation was fortunately remedied, inasmuch as provision was made whereby documents could be filed on or after November 1, 1928.

THE Work of the Special Claims Commission: The office of the Special Claims Commission is in Mexico City. At the present time, there have been filed with the Special Claims Commission on behalf of citizens of the United States...

Trophy Is Presented To Airplane Carrier

Saratoga County, New York, Makes Gift to Navy Namesake. The citizens of Saratoga County, New York have presented to the airplane carrier "Saratoga" a silver trophy in appreciation of the naming of the vessel after their county, the Department of the Navy announced in a statement December 26.

The trophy is in the form of a solid silver combined punch bowl and flower vase. It is surmounted by a Continental flag and has two candlesticks on each side of the bowl.

On the bowl of the trophy is inscribed: Presented by the patriotic, civic and fraternal organizations, school children and citizens of Saratoga County, New York as a token of their appreciation of the fact that the name Saratoga is to be proudly borne before the nations of the earth by this gallant ship.

Famous in Naval History. The name "Saratoga" is famous in our naval history, and the airplane carrier is the fifth vessel of that name on the Navy list. The first "Saratoga" was a sloop of war built by the Continental Congress in 1777. The second was famous as the flagship of Commodore Thomas MacDonough in the battle of Lake Champlain and received the surrender of the British Squadron.

New Books Received by Library of Congress

List supplied daily by the Library of Congress. Fiction, books in foreign languages, official documents and children's books are excluded. Library of Congress card number is at end of last line.

- Allen, Charles Laurel. Country journalism. 504 p. illus. N. Y., T. Nelson and sons, 1928. 28-29087
American institute of mining and metallurgical engineers. Flotation practice; papers and discussions presented at meetings held at Salt Lake City, August, 1927, and New York, February, 1928. 257 p. illus. N. Y., The Institute, 1928. 28-29706
Baker, George Philip. Tiberius. 28-29085
Baker, Horace C. Contemporary American poets, 1928, edited by... Boston, Mass., The Stratford Company, 1928. 28-29085
Baker, Moulton William. Planning modern church buildings, by... 240 p. plates. Nashville, Tenn., Cokesbury press, 1928. 28-29085
Brown, George Elgie. Thrombo-angitis obliterans; clinical, physiologic and pathologic studies, by... and Edgar V. Allen, by collaboration with Howard R. Mahorner. (Mayo clinic monographs.) 219 p. illus. Philadelphia, Saunders, co. 1928. 28-30040
Brashers, Dorothy Hamilton. The little turkey girl, a play of Pueblo Indian folklore, by... (The Junior League plays.) 69 p. N. Y., S. French, 1928. 28-29085
Clark, Barrett Harper. Paul Green, by... 36 p. N. Y., McBride, 1928. 28-29081
Cohn, Lassar. Organic laboratory methods, by... (Königsberg) Authorized translation from the general part of 6th rev. ed., by Ralph E. Oesper. Edited by Rogos Arons and Hans T. Clarke. (The world wide chemical translation series, no. 2.) 469 p. illus. Baltimore, Williams & Wilkins, 1928. 28-30050
Durand, John. The new technique of uncovering security bargains, by... 203 p. N. Y., The Magazine of Wall Street, 1928. 28-29086
Edwards, George Wharton. Rome, by... 344 p. illus. Philadelphia, Penn., 1928. 28-29069
Fisher, Irving. Prohibition still at its worst, by... 358 p. plates. N. Y., Alcohol information committee, 1928. 28-30059
Fleischman, Doris Elson. An outline of careers for women; a practical guide to achievement, compiled and edited by... 514 p. N. Y., Doubleday, 1928. 28-30061
Ford, Harriet. Mr. Susan Peters, comedy in one act, by... 21 p. N. Y., S. French, 1928. 28-29082
Ford, Harriet. What imagination will do, comedy in one act, by... 19 p. N. Y., S. French, 1928. 28-29082
Free, Edward Elway. Weather; practical, dramatic and spectacular facts about a little studied subject, by... and Travis Hoke, with maps and illustrations by Elise Seeds. 337 p. N. Y., McBride, 1928. 28-30045
Gallishaw, John. The only two ways to write a story, by... a book for writers, cities cases in the craftsmanship of the modern short story. 486 p. N. Y., Putnam, 1928. 28-29984
Gardner, H. L. The little hour, by... (The Stratford poets.) 38 p. Boston, The Stratford Co., 1928. 28-29989
Gardner, Isaac. The story of Gilbert and Sullivan; or, the "complete" Savoy operas. 588 p. illus. N. Y., Simon and Schuster, 1928. 28-30038
Gowen, Francis. Sing it yourself; collection of folk songs from "The young people's concert hour," by... with a foreword by George H. Hartman. 82 p. illus. N. Y., 1928. 28-29979
Harradine, Archibald Cecil. Old English songs, amorous, festive & divine, chosen and handwritten by... the music arranged by N. G. Suckling. 27 p. illus. London, G. Howe, 1927. 28-30039
Irving, Washington. Knickerbocker's History of New York, by... edited by Anne C. Stetson, which has been revised and enlarged by James Daugherty. Garden City, 427 p. N. Y., Doubleday, 1928. 28-29975
Johannsen, Nicolas August Ludvig Jacob. A line of sun facts, covering its position and extension of the Laplacian theory, based on experiment. Discovery of an unknown force, the anti-central attraction, which has been active around the solar nebula. By... 78 p. illus. Stapleton, N. Y., The Willing press, 1928. 28-30049
Johnson, Obed Simon. A study of Chinese alchemy, by... 156 p. Shanghai, China, The Commercial press, 1928. 28-30054
Kennedy, Gunther Milton. The young verse of a vagabond, by... 117 p. New York, Ky., The Michaels & Jarvis press, 1928. 28-29984
Kern, Margaret Ethel Kelley. The three notched road, by... silhouette sketches by Margaret Eugenie Kern. 96 p. illus. Richmond, The William Byrd press, 1928. 28-29976
Lang, Andrew. Tartan tales from Andrew Lang, edited by Bertha L. Gunterman. 301 p. illus. N. Y., Longmans, 1928. 28-29972
Lee, Baldwin. Issues in the social studies, by... (Social science monographs, no. 3.) 191 p. N. Y., Columbia University, Teachers College, Columbia University, for the Lincoln School of Teachers College, 1928. 28-30060
Lee, Gertrude. Moods, by... (Poems.) Boston, The Stratford, 1928. 28-29980
Lewis, Francis Park. What every one should know about eyes, by... (The National health series.) 70 p. illus. N. Y., Funk & Wagnalls, 1928. 28-29701
Lisek, Marie Koberle. Conserva youth; why grow old and ill? A practical plan toward early ageing, by... 60 p. St. Louis, Printed by Carter and Wilson, 1928. 28-29970
Mantell, Charles Letnam. Industrial carbon, by... (Industrial chemical monographs.) 410 p. illus. N. Y., Van Nostrand, 1928. 28-29970
Metcalf, Frank Johnson. Stories of hymn meet at Fort McPherson, Ga.: Col. Frank C. Jewett, Coast Art.; Col. Laurence H. H. Stead, Inf. 1921. 191 p. N. Y., The American Historical Society, 1928. 28-29970
Mantell, Charles Letnam. Industrial carbon, by... (Industrial chemical monographs.) 410 p. illus. N. Y., Van Nostrand, 1928. 28-29970
Metcalf, Frank Johnson. Stories of hymn meet at Fort McPherson, Ga.: Col. Frank C. Jewett, Coast Art.; Col. Laurence H. H. Stead, Inf. 1921. 191 p. N. Y., The American Historical Society, 1928. 28-29970
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Government Books and Publications

- Documents described under this heading are obtainable at prices stated from the Superintendent of Documents, Government Printing Office, Washington, D. C. The Library of Congress card numbers as given.
Discussion of the National Electrical Safety Code (to accompany the fourth edition of the code). 1928. Standard of Bureau of Standards No. 4. Price, \$1.
Catalogue of Coins of the United States. Prepared under the direction of the Bureau of the Mint, Treasury Department. Document No. 2612. Price, 20 cents.
The Federal Anti-Trust Laws with Amendments. List of cases instituted by the United States and citations of cases decided thereunder. 1928. Standard of Bureau of Standards No. 4. Price, \$1.
Report of the Librarian of Congress for the fiscal year ended June 30, 1928. (6-6273)
Annual Report of the Director of Public Buildings and Public Parks of the National Government. 1928. Document No. 2612. Price, 20 cents.
Reports of the United States Board of Tax Appeals. May 14, 1927, to September 7, 1927. Vol. 7. Price, \$2.25. (24-2741)
Transactions of the Eighth Annual Conference of State Sanitary Engineers. Public Health Bulletin No. 183. Issued by the United States Public Health Service, Treasury Department. Price, 25 cents. (19-27671)
Coal Mine Fatalities in the United States, 1927. Bulletin 299, Bureau of Mines, Department of Commerce. Price, 20 cents. (21-26405)
Surface Water Supply of the United States, 1924. Part VI. Missouri River Basin. Water Supply Paper No. 585. United States Geological Survey. Price, 50 cents. (GS10-353)
Surface Water Supply of the United States, 1924. Part VIII. Western Gulf of Mexico Basin. Water Supply Paper No. 588. United States Geological Survey. Price, 50 cents. (GS10-346)
Poetry Houses and Fixtures, Farmers Bulletin No. 1554. Department of Agriculture. Price, 10 cents. (19-25374)
Sewage and Sewerage of Farm Homes. Farmers Bulletin No. 1227. Department of Agriculture. Price, 10 cents. (Agr. 23-371)
Weevils in Beans and Peas. Farmers Bulletin No. 1275. Department of Agriculture. Price, 5 cents. (Agr. 23-211)
Studies in Oxidation-reduction. XIII. Preparation of Indophenols which are used in oxidation-reduction indicators. Supplement No. 69 to the Public Health Reports. Price, 10 cents. (27-26544)

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Army Orders

Capt. Frederick A. Biesse, Med. Corps, (Infantry), to the Army. Capt. Albert Lincoln Hoffman, M. I. Res., orders of December 4 revoked. Capt. Kincheon H. Bailley, Med. Corps, from Fort Jay, N. Y., to Fort Hancock, N. J. Maj. John L. Shock, Dental Corps, from Army Dental School, Washington, D. C., to Walter Reed General Hospital, Washington, D. C. Second Lieut. Fremont S. Tandy, E. C., from Fort Logan, Colo., to Panama Canal Zone. Second Lieut. Daniel Franklin Boone, Q. M. C. Res., to duty at Baltimore, Md. The following officers are detailed as members of a retiring board appointed to meet at Fort McPherson, Ga.: Col. Frank C. Jewett, Coast Art.; Col. Laurence H. H. Stead, Inf. 1921. 191 p. N. Y., The American Historical Society, 1928. 28-29970

Daily Decisions of the Accounting Office

The Comptroller General of the United States, as head of the General Accounting Office, must approve of all expenditures by Government agencies before such expenditures finally become closed transactions. Interpretation of the laws is necessary, therefore, in many instances. The latest decisions with respect to expenditures made by the Comptroller General follow: A-23213. Classification of Civilian employees—Effect of act of May 23, 1928—Army Transport Service. The salary rates of the employees under the Army Transport Service may not be adjusted by the administration office under the provisions of section 3 of the act of May 23, 1928, 45 Stat. 785. A-25178. (S) Transportation of household goods of Army officer in two shipments—Computation of excess cost. Under Army regulations the excess cost occasioned the Government by reason of failure of the officer of the Army to release for shipment at one time his entire authorized change of station baggage allowance will be borne by the officer. The method for determining the amount of excess cost to the Government for transporting in two shipments the household goods and personal effects of an officer of the Army on change of station is the application of the per hundred cost actual incurred for shipping the first shipment released.

Blocking Squadron during the Civil War

The fourth was an armored cruiser. This ship was originally named the "New York" and was the flagship of Rear Admiral W. T. Sampson, U. S. N., during the Spanish-American War. Its name was changed to "Saratoga" in 1911 and 1917 was again changed to "Rechenberg" in 1922.

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Products of Farm Regaining Values Says Mr. Jardine

Purchasing Power of Farmer Stated to Have Advanced 90 Per Cent of Pre-War Value.

[Continued from Page 1.]
now stands at about 90 per cent of what it was before the war. In the meantime, the output per worker in agriculture has greatly increased. From 1919 to 1924 this increase was about 7 per cent. Although statistics for the period since 1924 are not yet available, it is probable that this gain in efficiency has continued. All told, our progress in the slow and painful business of climbing from the depression is highly creditable to the ones most responsible, namely, farmers themselves.

These remarks may help the put the year now closing in its right setting.

Farmer Returns Differ.
The events of the year remind us once more that in farming, as in other lines of business, fortunes ebb and flow. The hay and sheep sections of the West again have enjoyed a good year. The Cotton Belt has done fairly well. The dairy industry has done well. Poultry raisers made money. Potato growers and many wheat growers passed through a trying business year. Returns from hay and tobacco will be less than last year. In each instance, different circumstances brought about the year's results.

The livestock industries, on the whole, were more profitable than grain farming. In 1927 the grain growers had the advantage. In 1928 heavy production of bread grains, in foreign countries as well as in the United States, caused sharp price declines. These conditions re-emphasized the fact that larger crops do not always mean more money for the farmer. This year we harvested 361,000,000 acres of the principal crops. That was an increase of nearly 4,000,000 acres over 1927. The total output was about 3 per cent larger. However, it is estimated that the total value of the principal crops, based on prices of December 1 this year, was about 1 per cent less than the value of the same crops in 1927. Of a substantial part of the crops will be fed and sold as livestock, thus increasing their final value.

While the livestock industries have done well as a whole, hog prices were below expectations this fall. This development can be charged to several causes; one was the heavy run on hogs to market, another an accumulation of lard in storage which on December 1 was about twice the usual amount. However, the hog industry now appears to be in the rising phase of a new price cycle and improvement is looked for.

Increased Value of Crops.
In my annual report to the President two months ago I said that agriculture's gross income for the crop year 1928-29 promised to be larger than that of the preceding crop year. That statement still holds, although prices of leading farm products have since then declined. It seems now that the gross income will be only slightly greater than that of 1927-28.

But gross income figures do not tell the whole story. What finally counts is the difference between the farmer's expenses and his receipts. In other words, his net income. It seems probable that the net income of this crop year will exceed the net income of last year by more than a person might conclude by studying gross income figures alone. Prices of some of the principal supplies used in farm production were about the same in the two years, but many farmers economized on these items. Farmers saved more labor, got more out of feed-stuffs, and did away with certain wastes in the process of getting their products to the consumer. Without doubt, the 1928-model farmer was the most efficient in agricultural history.

Since the marketing season for this year's production still has some months to run, we cannot, of course, estimate the year's financial results in detail. What has happened so far, however, again makes clear the fact that better planning would have come from better planning of production. When we look at the ruinous situation in the potato industry, it is worth noting that the danger of over-production was indicated in reports given out by the Department of Agriculture, first in January, and again in March and May. Yet the acreage was expanded about 10 per cent beyond normal requirements. The result was the largest potato crop in our history and very unsatisfactory prices.

It is true that agriculture is more at the mercy of winter than other industries. Weather, disease, and insects and other natural forces may play hob with our plans. Yet much may be done to control production.

Area Adjustments.
Each year sees adjustments in the acreage farmers plant to different crops and in the progress of stockmen for the production of animals. Growers take into account prevailing conditions and foresee the future as best they can. Even as we talk about the year 1928, the winter wheat crop of 1929 is in the making. No doubt winter wheat growers have been influenced by the 1928 decline in prices in their decision, indicated by recent reports to the Department, to plant 9 per cent fewer acres than in the fall of 1927. We must remember, however, that if the young wheat pulls through the winter as it does in the average year, we shall still have more winter wheat acreage to harvest next summer than in 1928 when abandonment was heavy.

Low potato prices likewise mean smaller potato acreages this coming year, if we may go by the intentions just expressed by Southern planters to seed 29 per cent fewer acres this spring than last. The Department's fall pig survey just completed pointed to the probability that from 4 to 7 per cent fewer sows will farrow next spring than did last spring.

These shifts in production plans show that farmers are not going to fly in the face of Providence if they can help it. You try to act to make production jibe with demand and avoid gluts. But we

Summary of All News Contained in Today's Issue

Indexed by Groups and Classifications

Accounting

See under "Taxation" and "Banking-Finance" headings.

Aeronautics

The Navy on December 31 placed orders for 136 more airplane engines. Page 3, Col. 5

The citizens of Saratoga County, New York, have presented to the airplane carrier "Saratoga" a silver trophy in appreciation of the naming of the vessel after their country. Page 9, Col. 3

Two airports of customs entry are designated by Treasury Department. Page 6, Col. 1

Agriculture

Two changes in personnel of Office of Information announced by the Department of Agriculture. Page 3, Col. 3

Belgian peasant association which teaches technique of farming and conducts bank with \$27,054,714 deposits described by Department of Agriculture. Page 10, Col. 7

The Department of Agriculture issues a bulletin on poultry houses and fixtures; and sewage and sewerage of farm houses. Page 9, Col. 7

Representative Rankin says prediction by Department of Agriculture of decline in cotton prices in 1927 caused depression among cotton growers. Page 3, Col. 2

The Department of Agriculture issues a bulletin on weevils in beans and peas. Page 9, Col. 7

Secretary of Agriculture reviews situation of agriculture in past crop season. Page 1, Col. 1

Farmers in Saskatchewan organize Consumers Cooperative Wholesale Society. Page 1, Col. 4

Sonora, Mexico, will export from 1,000 to 1,200 carloads of tomatoes this season. Page 6, Col. 6

Total crop production in 1928 gained 3 per cent over 1927 figure. Page 1, Col. 2

Anti-Trust Laws

The Federal Anti-Trust Laws with amendments. List of cases instituted by the United States and citations of cases decided thereunder or relating thereto. Page 9, Col. 7

Banking-Finance

Belgian peasant association which teaches technique of farming and conducts bank with \$27,054,714 deposits described by Department of Agriculture. Page 10, Col. 7

The Treasury Department issues a catalogue, prepared under the direction of the Bureau of the Mint, of the coins of the United States. Page 9, Col. 7

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Low potato prices likewise mean smaller potato acreages this coming year, if we may go by the intentions just expressed by Southern planters to seed 29 per cent fewer acres this spring than last. The Department's fall pig survey just completed pointed to the probability that from 4 to 7 per cent fewer sows will farrow next spring than did last spring.

These shifts in production plans show that farmers are not going to fly in the face of Providence if they can help it. You try to act to make production jibe with demand and avoid gluts. But we

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